



**UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT**

**REPORT
OF THE TRADE
AND DEVELOPMENT BOARD**

10 September 1967-23 September 1968

GENERAL ASSEMBLY

OFFICIAL RECORDS : TWENTY-THIRD SESSION
SUPPLEMENT No. 14 (A/7214)

UNITED NATIONS

(130 p.)

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

**REPORT
OF THE TRADE
AND DEVELOPMENT BOARD**

10 September 1967–23 September 1968

GENERAL ASSEMBLY

OFFICIAL RECORDS : TWENTY-THIRD SESSION

SUPPLEMENT No. 14 (A/7214)



UNITED NATIONS

New York, 1968

NOTE

SYMBOLS

All United Nations documents are designated by symbols composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document. The documents of the United Nations Conference on Trade and Development, the Trade and Development Board and its subsidiary bodies are identified as follows:

First session of the United Nations Conference on Trade and Development	E/CONF.46/-
Second session of the United Nations Conference on Trade and Development	TD/-
Trade and Development Board	TD/B/-
Sessional Committees of the Board	TD/B/SC.../-
Committee on Commodities	TD/B/C.1/-
Permanent Group on Synthetics and Substitutes	TD/B/C.1/SYN/-
Committee on Manufactures	TD/B/C.2/-
Group on Preferences	TD/B/C.2/AC.1/-
Committee on Invisibles and Financing related to Trade	TD/B/C.3/-
Expert Group on Reinsurance	TD/B/C.3/AC.2/-
Intergovernmental Group on Supplementary Financing	TD/B/C.3/AC.3/-
Committee on Shipping	TD/B/C.4/-
Information series of the Board	TD/B/INF.-
Non-governmental organization series of the Board	TD/B/NGO/-

The texts of documents selected for inclusion in the printed Proceedings of the second session of the Conference will appear in five volumes. The first of these volumes, containing the Conference's report, resolutions and decisions and other matter has been published as Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.68.II.D.14).

Symbols referring to resolutions and decisions of the second session of the Conference consist of an arabic numeral followed by "(II)", thus 1 (II), 2 (II), 3 (II), etc.

Symbols referring to resolutions and decisions of the Conference and 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 in printed form 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 list of participants at 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 printed records of the relevant session of the Board are issued as annexes to the Official Records of the Board. They are printed as fascicles pertaining to the relevant agenda item.

SUPPLEMENTS

The Official Records of the Board include numbered supplements consisting of the resolutions and decisions of the Board and, where appropriate, the reports of certain subsidiary organs of the Board. A list of the supplements to the third special session and to the sixth and seventh regular sessions is given below:

<u>Supplement</u> <u>No.</u>	<u>Document</u> <u>No.</u>
<u>Third special session</u>	
1 Resolution adopted by the Board at its third special session	TD/B/170
<u>Sixth session</u>	
1 Decision adopted by the Board at its sixth session	TD/B/169
<u>Seventh session</u>	
1 Resolutions and decisions adopted by the Board at its seventh session	TD/B/196

CONTENTS

	<u>Page</u>
Abbreviations	vii
Introduction.	1
<u>Part One. Report of the Trade and Development Board on its sixth session</u>	
	<u>Paragraphs</u>
Opening of the session	1 5
Election of officers (agenda item 1)	2 and 3 5
Adoption of the agenda (agenda item 2)	4 5
Membership and attendance.	5 - 9 6
Adoption of the report on credentials (agenda item 3).	10 7
Elections to membership of committees (agenda item 4).	11 - 15 7
Review of the calendar of meetings (agenda item 5)	16 and 17 7
Provisional agenda for the seventh session of the Board (agenda item 6).	18 - 21 8
Invitation of regional groupings to participate in the deliberations on item 5 (a) of the provisional agenda for the seventh session of the Board	22 9
Financial implications of the actions of the Board (agenda item 7).	23 10
Other business (agenda item 8)	24 10
Adoption of the report of the Board on its sixth session (agenda item 9).	25 10

CONTENTS (continued)

ANNEXES

	<u>Page</u>
I. Statement by Ambassador P.R. Jolles, President of the Trade and Development Board for 1967.	11
II. Statement by Mr. J. Kohout, President of the Trade and Development Board for 1968.	15
III. Decision 41 (VI). Calendar of UNCTAD meetings for the remainder of 1968 and tentative calendar for 1969 (adopted by the Board at its 157th plenary meeting on 7 May 1968)	17
IV. Membership of Committees of the Board	21

Part Two. Report of the Trade and Development Board on its seventh session

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
I. Improvement of the institutional machinery and the methods of work: draft resolutions on institutional arrangements remitted by the Conference. Report of the Secretary-General of UNCTAD on the activities of UNCTAD, in particular in regard to the resolutions and other decisions of the second session of the Conference (agenda item 3)	1 - 31	27
II. Other institutional matters (agenda item 5)	32 - 112	35
(a) Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements	32 - 61	35
(b) International legislation on shipping: recommendation of the Conference for the creation of a Working Group of the Committee on Shipping.	62 - 75	40
(c) Transfer of technology, including know-how and patents: draft resolution on the establishment of an inter-governmental committee transmitted by the Conference.	76 - 90	44
(d) Composition of the Inter-governmental Group on Supplementary Financing	91 - 99	47
(e) Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board	100 - 112	49

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
III. UNCTAD and the second United Nations Development Decade (agenda item 4)	113 - 124	53
IV. Reports on negotiations or consultations on individual commodities (agenda item 6)	125 - 132	57
V. Progress report on the study on terms of shipment (agenda item 7)	133 - 142	60
VI. UNCTAD/GATT International Trade Centre (agenda item 8)	143 - 154	62
VII. Progressive development of the law of international trade: first annual report of the United Nations Commission on International Trade Law (agenda item 9)	155 - 165	65
VIII. Co-ordination of the activities of UNCTAD with those of other bodies in the field of trade and development (agenda item 10)	166 - 179	68
IX. United Nations Capital Development Fund (agenda item 15)	180 - 183	71
X. Organizational matters	184 - 217	72
1. Opening of the session	184	72
2. Officers	185	72
3. Adoption of the agenda (agenda item 1)	186	72
4. Membership and attendance	187 - 192	74
5. Adoption of the report on credentials (agenda item 2)	193	75
6. Organization of the work of the seventh session	194 - 195	75
7. Elections (agenda item 11)	196 - 202	75
(a) Election to membership of committees	196 - 201	75
(b) Changes in the composition of the Advisory Committee to the Board and to the Committee on Commodities	202	76

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
8. Review of the calendar of meetings (agenda item 12)	203 - 204	76
9. Provisional agenda for the eighth session of the Board (agenda item 13)	205 - 207	77
10. Financial implications of the actions of the Board (agenda item 14)	208 - 215	79
11. Adoption of the report of the Board to the General Assembly (agenda item 17).	216	80
12. Closure of the session	217	80

ANNEXES

I. Resolutions and decisions of the Board at its seventh session.		81
II. Financial implications of the actions of the Board		103
III. Statement made by the Secretary-General of UNCTAD at the 167th plenary meeting of the Trade and Development Board on 12 September 1968, concerning UNCTAD and the second United Nations Development Decade		105
IV. Membership of committees of the Board.		117
V. Texts of certain proposals submitted during the seventh session of the Trade and Development Board		121
<u>Part Three. Report of the Trade and Development Board on its third special session</u>	1 - 13	125

ANNEX

Resolution 40 (S-III). Concerted action to deal with problems arising in international trade in rubber.		129
--	--	-----

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CPC	Committee for Programme and Co-ordination
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IBRD	International Bank for Reconstruction and Development
IMF	International Monetary Fund
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization

INTRODUCTION

The present report, the fourth annual report of the Trade and Development Board, 1/ is submitted to the General Assembly in conformity with Assembly resolution 1995 (XIX) of 30 December 1964.

The Board adopted the present report at its 174th meeting on 23 September 1968. The report covers the period which has elapsed since 10 September 1967 and consists of the reports on the Board's third special and sixth and seventh regular sessions. The third special session was held at United Nations Headquarters on 16 November 1967, and the sixth and seventh regular sessions were held in Geneva on 6 and 7 May and from 2 to 23 September 1968, respectively.

1/ The three previous reports, covering respectively the periods 1 January to 29 October 1965, 31 October 1965 to 24 September 1966 and 25 September 1966 to 9 September 1967, 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); and *ibid.*, Twenty-second Session, Supplement No. 14 (A/6714).

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD
ON ITS SIXTH SESSION

Held at the Palais des Expositions, Geneva,
on 6 and 7 May 1968

REPORT OF THE BOARD ON ITS SIXTH SESSION

Opening of the session

1. The sixth session of the Trade and Development Board was opened by Mr. Paul Jolles (Switzerland), President for 1967, at the Palais des Expositions, Geneva, on 6 May 1968. The outgoing President made a statement. 2/

Election of officers (agenda item 1)

2. At its 154th (opening) meeting on 6 May 1968, the Board elected by acclamation Mr. Jaroslav Kohout (Czechoslovakia) as its President for 1968 and Mr. Akhtar Mahmood (Pakistan) as Rapporteur. The President made an opening statement. 3/

3. At its 155th meeting the Board elected, by acclamation, the following representatives as Vice-Presidents:

Mr. Adoum Aganaye (Chad)

Mr. Jerzy Bohdanowicz (Poland)

Mr. Djime Nomar Guèye (Senegal)

Mr. Enrique López Herrarte (Guatemala)

Mr. Alfonso Palacio Rudas (Colombia)

Mr. Giorgio Smoquina (Italy)

Mr. Ion-Alexandre Tziras (Greece)

Mr. Umarjadi Njotowijono (Indonesia)

Mr. Pentti Uusivirta (Finland)

Mr. Walter Weber (Federal Republic of Germany)

Adoption of the agenda (agenda item 2)

4. At its 154th meeting on 6 May 1968, the Board unanimously adopted the provisional agenda approved at its fifth session (TD/B/164). The agenda as adopted (TD/B/165) is reproduced below:

2/ The text of this statement is reproduced in annex I to this part of the present report.

3/ The text of this statement is reproduced in annex II to this part of the present report.

1. Election of officers
2. Adoption of the agenda
3. Adoption of the report on credentials
4. Elections to membership of committees
5. Review of the calendar of meetings
6. Provisional agenda for the seventh session of the Board
7. Financial implications of the actions of the Board
8. Other business
9. Adoption of the report of the Board on its sixth session

Membership and attendance

5. The following members of the Board were represented at the session: Afghanistan, Algeria, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chad, Chile, Colombia, Costa Rica, Czechoslovakia, Denmark, Federal Republic of Germany, Finland, France, Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Jamaica, Japan, Madagascar, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Rwanda, Senegal, Spain, Sweden, Switzerland, Syria, Tunisia, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.

6. The following States members of the Conference sent observers to the sixth session of the Board: Argentina, Barbados, Bolivia, Ceylon, China, Congo (Democratic Republic of), Cuba, Dominican Republic, Ecuador, Ethiopia, Holy See, Honduras, Ireland, Israel, Kuwait, Libya, Malawi, Nicaragua, Norway, Republic of Korea, Republic of Viet-Nam, Sierra Leone, South Africa, Sudan, Thailand, Trinidad and Tobago, Turkey, United Arab Republic, United Republic of Tanzania, Uruguay.

7. The following specialized agencies were represented at the session: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Monetary Fund. GATT was also represented.

8. The following inter-governmental bodies were represented at the session: Commonwealth Secretariat, European Economic Community, European Free Trade Association, Inter-American Development Bank, International Conference of African, French and Malagasy States on Insurance Supervision, International Union for the Protection of Industrial Property, Organization for Economic Co-operation and Development, Organization of American States, Organization of the Petroleum Exporting Countries, Permanent Secretariat of the General Treaty on Central American Integration.

9. The following non-governmental organizations were represented at the session: Afro-Asian Organization for Economic Co-operation, International Bar Association, International Chamber of Commerce, International Confederation of Christian Trade Unions, World Federation of Trade Unions.

Adoption of the report on credentials (agenda item 3)

10. At its 157th meeting on 7 May 1968, the Board adopted the Bureau's report on credentials (TD/B/167) and took note of an oral statement by the Secretary of the Board updating the information given therein.

Elections to membership of committees (agenda item 4)

11. In conformity with the decision taken by the Board at its first session that the term of office of one third of the members of each of its main committees would expire each year, 4/ the Board at its 157th meeting elected for a term of three years, expiring on 31 December 1970, one third of the members of its committees. 5/

12. The following countries were elected to serve on the Committee on Commodities: Afghanistan, Argentina, Austria, Belgium, Chad, Czechoslovakia, Ecuador, Japan, Malaysia, Norway, Peru, Republic of Viet-Nam, Romania, Rwanda, Syria, Thailand, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland.

13. The following countries were elected to serve on the Committee on Manufactures: Algeria, Austria, Colombia, France, Greece, India, Iran, Mexico, Netherlands, Norway, Pakistan, Philippines, Romania, Saudi Arabia, Venezuela.

14. The following countries were elected to serve on the Committee on Invisibles and Financing related to Trade: Australia, Ceylon, Denmark, France, Honduras, Mexico, Nigeria, Pakistan, Sudan, Turkey, Union of Soviet Socialist Republics, United Republic of Tanzania, United States of America, Uruguay, Yugoslavia.

15. The following countries were elected to serve on the Committee on Shipping: Argentina, Australia, Bulgaria, Canada, Chile, Federal Republic of Germany, Indonesia, Ivory Coast, Japan, Liberia, Nicaragua, Nigeria, Uganda, United Arab Republic, United Kingdom of Great Britain and Northern Ireland.

Review of the calendar of meetings (agenda item 5)^{6/}

16. The Board had before it a note by the secretariat (TD/B/L.114) containing a proposed calendar of UNCTAD meetings for the remainder of 1968 and for 1969. In this connexion the attention of the Board was drawn to General Assembly resolution 2361 (XXII) on the pattern of conferences. In preparing this calendar the secretariat had taken account of the decisions of the second session of the Conference and had suggested dates for meetings of UNCTAD bodies which, in its view, would enable them to engage in substantive discussions of the issues before them.

4/ See Official Records of the General Assembly, Twentieth Session, Supplement No. 15 (A/6023/Rev.1), part one, para. 197.

5/ For the full membership of the Board's committees, see annex IV to this part of the present report.

6/ The Board decided to consider items 5 and 6 in conjunction.

17. The Board discussed the proposed calendar at its 154th to 156th meetings, during which oral amendments were put forward, 7/ and approved the revised calendar of meetings for 1968 and the tentative calendar of meetings for 1969. 8/

Provisional agenda for the seventh session of the Board (agenda item 6)^{6/}

18. At its 154th to 157th meetings, the Board considered a note by the Secretary-General of UNCTAD (TD/B/L.115). This note contained a draft provisional agenda for the seventh session prepared in pursuance of rule 8 of the rules of procedure, and a list of additional items arising from the decisions of the second session of the Conference.

19. During the discussion, the Board received a number of oral suggestions. The delegation of Chile submitted written proposals (TD/B/L.120 and Rev.1 and 2) for the inclusion of additional items in the provisional agenda for the seventh session. Subsequently, the representative of the Philippines, on behalf of the Group of thirty-one developing countries members of the Board, recommended the adoption of the proposed amendments set out in document TD/B/L.120/Rev.2. The Board approved the draft provisional agenda (TD/B/L.115) with these amendments. 9/

20. The provisional agenda for the seventh session, as adopted, reads as follows:

1. Adoption of the agenda
2. Adoption of the report on credentials
3. Improvement of the institutional machinery and the methods of work: draft resolutions on institutional arrangements remitted by the Conference. Report of the Secretary-General of UNCTAD on the activities of UNCTAD, in particular in regard to the resolutions and other decisions of the second session of the Conference
4. UNCTAD and the second United Nations Development Decade (General Assembly resolution 2305 (XXII))
5. Other institutional matters:
 - (a) Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements
 - (b) International legislation on shipping: recommendation of the Conference for the creation of a Working Group of the Committee on Shipping
 - (c) Transfer of technology, including know-how and patents: draft resolution on the establishment of an inter-governmental committee transmitted by the Conference

7/ See the summary records of these meetings (TD/B/SR.154-156).

8/ For the calendar of meetings as approved, see annex III to this part of the present report. The approved calendar is also reproduced in document TD/B/INF.13.

9/ For an account of the discussion on this item, see the relevant summary records (TD/B/SR.155-157).

- (d) Composition of the Intergovernmental Group on Supplementary Financing
 - (e) Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board
 - 6. Reports on negotiations or consultations on individual commodities
 - 7. Progress report on the study on terms of shipment
 - 8. UNCTAD/GATT International Trade Centre
 - 9. Progressive development of the law of international trade: first annual report of the United Nations Commission on International Trade Law
 - 10. Co-ordination of the activities of UNCTAD with those of other bodies in the field of trade and development
 - 11. Elections:
 - (a) Election to membership of committees;
 - (b) Election of the Chairman and appointment of members of the Advisory Committee to the Board and to the Committee on Commodities
 - 12. Review of the calendar of meetings
 - 13. Provisional agenda for the eighth session of the Board
 - 14. Financial implications of the actions of the Board
 - 15. Other business
 - 16. Adoption of the report of the Board to the General Assembly
21. The Board requested the Secretary-General of UNCTAD to submit to it, by not later than its eighth session, a progress report on the action taken in response to Conference resolution 1 (II) on training of technical and special staff in the field of export promotion and invisible transactions.

Invitation of regional groupings to participate in the deliberations on item 5 (a) of the provisional agenda for the seventh session of the Board

22. The Board considered a secretariat note (TD/B/L.117) suggesting that it might wish to extend to several regional groupings an invitation to participate in the deliberations on the sub-item of the provisional agenda for its seventh session entitled "Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements". The Board decided to extend such an invitation to the following bodies:

African Development Bank

Asian Development Bank

Association of the West African States for an Economic Community

Central American Bank for Economic Integration

Conseil de l'Entente

East African Community

Organization of the Senegal Riparian States
Regional Co-operation for Development
Union of Central African States
West African Customs Union

The Board noted that consideration of this item might be expected to begin on 12 September 1968.

Financial implications of the actions of the Board (agenda item 7)

23. The Board took note of a secretariat paper on this item (TD/B/L.121).

Other business (agenda item 8)

24. The Rapporteur of the second Conference drew attention to the note by the secretariat (TD/B/L.119) regarding the report of UNCTAD on its second session, explaining the circumstances under which a paragraph dealing with the application by IBRD and the International Development Association of the principle of international competitive bidding in the use of their resources had been inadvertently omitted from the text of resolution 29 (II) as adopted by the Conference. In accordance with a proposal made by the Rapporteur of the Conference at the 157th meeting, the Board requested the Secretary-General of UNCTAD to communicate on this matter with the States members of UNCTAD that had participated in the second session of the Conference and to ask them to indicate whether they had any objection to the restoration of this paragraph in the text of the resolution under reference. It was understood that this question would be settled well before the opening of the twenty-third session of the General Assembly.

Adoption of the report of the Board on its sixth session (agenda item 9)

25. Having noted that the observations made by delegations on the various items of the agenda would be recorded in the summary records of the session, the Board decided to authorize the Rapporteur to prepare and finalize the report on its sixth session.

ANNEXES

ANNEX I

Statement by Ambassador P.R. Jolles, President of the Trade and Development Board for 1967

The task which falls to me today is pleasant but short lived: I have to preside over the election of the new President of the Board and to hand over to him the direction of our work.

I do not wish to take up your time by reviewing the work of the Board in 1967. As the basic aim of this meeting is to settle organizational problems, it must tackle the items of its agenda quickly and expeditiously.

Nevertheless, I think it might be useful for me to highlight the facts which, in my view, open up new prospects to the work of this important organ of the United Nations.

From its second session in 1965, the main job of the Board was to prepare the New Delhi Conference. Last year, in particular, the Board concentrated its efforts on drawing up the working bases of the Conference. Did those efforts give the desired results? Many participants, representing developing or developed countries, expressed their disappointment. I personally think that it is too early to say whether the Conference had a partial success or was a total failure. Much will ultimately depend on the outcome of the work which the Conference entrusted to our Board. To give you a clear idea of my thought, allow me to go back a little.

The aims of the New Delhi Conference had been defined by the Board at its last session and by the United Nations General Assembly.

First of all, the Conference had to make a new assessment of the economic situation of the developing countries and its influence on the implementation of the recommendations made by the first Conference held in Geneva.

Secondly, the New Delhi Conference, by appropriate negotiations - on subjects which had already reached an adequate degree of maturity - was to obtain concrete results to ensure real progress in international co-operation towards development.

Thirdly, the Conference had to explore and prospect questions which need more thorough study before agreements can be envisaged.

You will doubtless agree with me that the Conference definitely reached the first and third of these targets. As regards the first, the bonds of interdependency between the various aspects of the problem of development were

once again highlighted, in particular thanks to the excellent studies prepared by our secretariat, that of the United Nations, the specialized agencies, the numerous independent experts and the committees of the Board.

These studies enabled the New Delhi Conference to make a more accurate and more differentiated diagnosis than that of the Geneva Conference. It is worth while stressing this important fact, because it may give a new drive and clearer guidance to international action in favour of development. Nobody can deny nowadays that the action taken so far has been inadequate to reverse the negative tendencies which the developing countries have had to cope with. Neither can anyone deny that the efforts towards growth made by the developing countries themselves should be placed in an adequate framework and that we should all move towards the establishment of an over-all development strategy, to use the expressive phrase of our Secretary-General.

The links of interdependence existing at world level between the economic evolution of the various countries have been brought out particularly strikingly by the evolution of the world monetary situation. The possibilities of certain industrialized countries, whose financial aid programmes are the most important, have been affected by it. Such circumstances have made it clear that each of the participants in the economic life of nations has something to gain from the efficient progress of the economy of its partners.

The third target - the identification of new spheres of action - also seems to have been fairly closely reached. To prove this and as an example, I will cite the important statement on the world food problem, the statements of intent of the different groups of countries concerning regional co-operation and integration between developing countries, the unanimous statement of the Conference concerning the necessity of paying particular attention to the requirements of the least developed countries, the resolution concerning land-locked countries, the request to the Secretary-General of the United Nations to establish an integrated programme of action for professional and technical training, the resolution concerning tourism and insurance, and the detailed programme adopted by the Conference concerning private investments.

In view of the diversity of the subjects for which new working terms of reference have been provided, the disappointment shown as regards the resolutions of the Conference is doubtless essentially due to the second target: the search for agreement on points of crystallization. This second target was the one which seemed of the greatest interest to the participating countries. Why does the progress made apparently not fulfil the hopes placed in it?

In the sector of preferences, the Conference adopted a principle of fundamental importance. For the first time, all the member States agreed to collaborate in the implementation, as quickly as possible, of a general system of non-reciprocal preferences in favour of all the developing countries and they fixed stages for the future work. However, it was not possible to be more precise. This was certainly not due to lack of preparation - quite the opposite. But discussion showed that the procedures for the system of preferences envisaged raised problems that were so vast and complex that a consensus could not be obtained without further study and a thorough examination of the economic consequences of the suggestions put forward. It is nevertheless true that the Conference has without a shadow of doubt helped towards a better knowledge of the opinions of all the countries on the key problems.

In the field of financial aid, a new basis for calculation was defined. Its adoption implies an increase of at least 25 per cent in foreign aid to development over the previous target. As agreement could not be reached on the date by which this new target should be attained, and as it is accompanied by a number of qualifications, I consider that, in this field as well, an opinion on the results of the Conference can be formed only in the light of the action brought about by the adoption of this target. In the same way, the proposals to be drawn up by the Intergovernmental Group on Supplementary Financing will show how much the Conference has done. Lastly, in referring to the adoption of a time-table for negotiations in the commodity sector, I feel that I have given enough examples to illustrate the importance that should be attached to the work entrusted to the permanent bodies of the Conference.

If the impact of constructive ideas during two months of discussion at New Delhi is reflected in a greater determination to seek agreement and if this helps towards mutual understanding, the New Delhi Conference will be a considerable landmark in history. If, on the contrary, fleeting disappointment should engender discouragement or greater rigidity of positions - which I refuse to believe - then the pessimism of critics who have described the Conference as a "setback" would be confirmed. In the long run, everything depends on our governments. I am convinced that their attitude will be influenced to no small degree by the persuasiveness of the Trade and Development Board.

In conclusion, a few more words concerning our methods of work. In view of the difficulties that arose at the New Delhi Conference, the question was raised in a number of quarters, whether UNCTAD in its present form is an effective instrument for international action. Personally, I have no hesitation in saying yes. I cannot, however, conceal the fact that, in my opinion, some improvements must be made. I shall not attempt at this stage to comment on the Chilean and Indian proposals concerning new methods for consultation and for initiating plans of action. The Board will consider them at its seventh session, as our Secretary-General has informed us in writing. I should simply like to mention some of the difficulties inherent in the methods used at present. The custom of defining positions on major topics within various geographical groups, in my view, was unfortunate when it led to a crystallization of positions before any attempt had been made to bring them closer together. In such cases, it has tended to shift positions towards the extremes rather than to reconcile them. Moreover, it has reduced the time available for real negotiation, which took place only too late in the meetings. Since participation by as many countries as possible and a common approach are still desirable, it will not be easy to make these practices more flexible, particularly since lack of co-ordination can be just as serious a drawback and has sometimes even prevented the submission of specific proposals in good time. Moreover, past experience will perhaps lead us to recognize that the question of "profit-sharing" between developing countries and that of "burden-sharing" between the industrialized countries could be solved more easily within the framework of a set of measures rather than in relation to each individual measure. The Board will undoubtedly try to satisfy the need for better functioning of our institutions.

The difficulties encountered as regards methods of work do not, however, cast doubt on the value of UNCTAD as a body for organizing and strengthening co-operation based on recognition of the fact that development assistance is a common task in the best interests of all States. Appreciable progress can be

noted. Convergent statements of intent on the part of the three groups of States represented in UNCTAD are contained in important resolutions of the Conference, such as those on the food problem, East-West trade and regional co-operation between the developing countries. The time of unilateral declarations is past; the developing countries fully recognize that they are the ones primarily responsible for development.

Public opinion in the advanced countries should note these facts and understand the need for a true partnership based on goodwill. The some thirty recommendations of the second Conference of New Delhi are less substantial than might have been hoped. However, with a few exceptions, they were adopted unanimously. We are therefore entitled to expect that they will be taken seriously by the governments which subscribed to them and that these governments will take them into account in their development assistance policies. I can, in any event, assure you that this is what Switzerland will do.

Before going on to the election of my successor, I should like to express to all members of the Board, as well as to the officers, my gratitude for the support and confidence they have shown in me. My thanks go in particular to Mr. Prebisch, Secretary-General of our organization, to his colleagues and to all those who, such as the interpreters, précis-writers and secretaries, made it possible for our work to proceed smoothly by day as well as, sometimes, by night.

ANNEX II

Statement by Mr. J. Kohout, President of the Trade and Development Board for 1968

I feel profoundly indebted to the delegation of Bulgaria for nominating me for the presidency and to the delegations of the Philippines, Romania, the United States and Senegal for seconding that nomination. I thank the Board for the confidence it has shown in me by entrusting me with this high office. I regard my appointment not only as a personal honour but - and first of all - as a tribute to my country.

I would like to assure you that I will continue the efforts my delegation has always made to strengthen the role of UNCTAD in contributing to the international efforts for the expansion of co-operation among nations, and I shall always bear in mind the noble principles and purposes of this organization.

Allow me now to pay a tribute to our outgoing President, H.E. Mr. Paul Rudolf Jolles, for his brilliant work and the inspiring activity he exercised during his presidency.

I wish also to express my gratitude to the outgoing members of the Bureau of the Board and I must not fail to express my appreciation of the impressive work done by our distinguished Secretary-General, Dr. Raúl Prebisch, and his staff.

Looking ahead to the future I would like to stress the importance of mutual co-operation and mutual understanding in fulfilling the tasks laid down by UNCTAD at its first and second sessions. The requirements of our world, especially that part of it striving for development, are tremendous. However, the possibilities of our world are great, too, particularly when our hopes for the settlement of the well-known war and peace issues seem to be, nowadays, more justified.

Our task is to harmonize these requirements and possibilities. But many interests, policies and even conflicts come under the term of this single word "harmonization". Only the common efforts of all countries concerned can lead to our final objective: to improve the world economic situation and especially that of the developing countries. We have great responsibility before our nations and particularly before coming generations to secure the over-all social and economic progress of all parts of our world.

This is the first opportunity for countries members of UNCTAD to meet after the second Conference.

We can assume that at the present time governments are assessing the results of our Delhi proceedings. May we expect that they are evolving positive and creative attitudes towards UNCTAD as a whole, as well as towards individual issues which emerged from the Conference.

Obviously the criteria of judgement about the results of the Conference vary from country to country and it is hardly up to me to define a formula measuring the degree of success that could reasonably have been expected. I might, however, assume that, apart from viewing UNCTAD from the angle of compelling national interests, we all wish to see UNCTAD in the historical context of concerted national and international efforts aiming at overcoming the yawning economic and social disparities in the present world.

From this point of view, the second plenary session of UNCTAD made a further advance in coming to grips with the most important problems, and points of crystallization appeared in attitudes and approaches to particular issues. UNCTAD can certainly be credited for having promoted a deeper awareness of the facts and interests involved. Their complexity calls for determination and perseverance in seeking adequate solutions.

Taking the chair in these circumstances, I realize that we can hardly overrate the political significance of the Conference for the achievement of UNCTAD's objectives; on the other hand, we cannot avoid seeing the wide range of unsettled issues handed over to the continuing machinery. It would seem that this machinery will have to deal with two categories of issues. The first is that of substantive problems; at the New Delhi Conference governments addressed themselves to a set of such issues in terms of their urgency and maturity for action. Thus, the Conference has given some directives to the continuing machinery as to which questions should be treated in a longer-term perspective and which should be tackled with a view to obtaining concrete results in the near future.

The second category is that of institutional provisions. UNCTAD has no doubt to effect substantial institutional changes in order to match the tasks with which it is nowadays confronted. Obviously these new institutional arrangements will vary in nature to fit the situations to which they will be applied. We cannot possibly disregard the considerable differences in the complexity of the various subjects, in the variety of interests involved or in the degree of national involvement in a positive solution.

The concept of a global strategy as advanced on various occasions by the Secretary-General of UNCTAD could provide a suitable formula for accommodating an appropriate programme of action along these lines. It realistically embodies both the unity of purpose and the variety of methods in its achievement and allows for all countries to use their specific economic and social conditions for achievement of agreed objectives.

Distinguished delegates, we all are alive to the fact that difficult tasks have been referred to us for action. We all have to co-operate and rely upon good sense and mutual understanding in the fulfilment of our duty. For my part I shall be only too glad to consider any of your suggestions and to explore with you all ways and means of promoting our work.

ANNEX III

Decision 41 (VI). Calendar of UNCTAD meetings for the remainder of 1968 and tentative calendar for 19691968

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
United Nations Sugar Conference	17 April - 31 May	6 1/2 weeks	Geneva
Trade and Development Board, sixth session	6-7 May	2 days	Geneva
Advisory Group on the UNCTAD/GATT International Trade Centre	28-31 May	4 days	Geneva
Cocoa consultations	17-28 June	2 weeks	Geneva
United Nations Cocoa Conference	to be determined	5 weeks	Geneva
Trade and Development Board seventh session	2-20 September	3 weeks	Geneva
Joint UNCTAD/FAO Working Party on Forest and Timber Products	23 September - 4 October	2 weeks	Geneva
Committee on Manufactures, third session	8-19 October	2 weeks	Geneva
Intergovernmental Group on Supplementary Financing, fourth session	21-25 October	1 week	Geneva
Permanent Group on Synthetics and Substitutes, second session	22-29 October	6 days	Geneva
Committee on Commodities, third session	28 October - 8 November	2 weeks	Geneva
Special Committee on Preferences, first session	29 November - 17 December	2 1/2 weeks	Geneva
Working Group on Tungsten, fifth session	to be determined	3-4 days	to be determined

1968 (continued)

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Advisory Committee to the Board and to the Committee on Commodities, third session	to be determined	1 week	to be determined
Committee on Tungsten, sixth session	as required	1 week	to be determined
Permanent Sub-Committee on Commodities	if required	1 week	to be determined
Eight intergovernmental and/or expert groups	as required	2 weeks each	to be determined
Intergovernmental consultations on individual commodities	as required	7 weeks	to be determined

1969

Trade and Development Board, eighth session	21 January - 7 February	3 weeks	Geneva
Committee on Invisibles and Financing related to Trade, third session <u>a/</u>	17-28 February	2 weeks	Geneva
Committee on Shipping, third session	9-25 April	2 1/2 weeks	Geneva
Special Committee on Preferences, second session	28 April - 9 May	2 weeks	Geneva
Intergovernmental Group on Supplementary Financing, fifth session	23 June - 4 July	2 weeks	Geneva
Trade and Development Board, ninth session	26 August - 12 September	3 weeks	Geneva
Committee on Manufactures, fourth session	16 September - 3 October	3 weeks	Geneva
Permanent Group on Synthetics and Substitutes, third session	6-10 October	1 week	Geneva

a/ In view of the importance of the financing element in this Committee's agenda, the Committee may wish to devote all of its third session to financing and to postpone consideration of invisibles (insurance and tourism) to its fourth session.

1969 (continued)

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Committee on Commodities, fourth session	13-24 October	2 weeks	Geneva
Committee on Tungsten, seventh session	to be determined	1 week	to be determined
Working Group on Tungsten, sixth session	to be determined	1 week	to be determined
Advisory Committee to the Board and to the Committee on Commodities, fourth and fifth sessions	to be determined	2 sessions 1 week each	to be determined
Two commodity conferences	as required	4-5 weeks each	to be determined
Permanent Sub-Committee on Commodities	if required	1 week	Geneva
Ten intergovernmental and/or expert groups	as required	2 weeks each	to be determined
Commodity consultations	as required	4-5 weeks	to be determined

157th plenary meeting,
7 May 1968.

ANNEX IV

Membership of committees of the BoardCommittee on Commodities

<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Afghanistan	1970	Ivory Coast	1969
Argentina	1970	Japan	1970
Australia	1968	Madagascar	1969
Austria	1970	Malaysia	1970
Belgium	1970	Mali	1968
Bolivia	1968	Mauritania	1968
Brazil	1969	Netherlands	1968
Bulgaria	1968	Nigeria	1969
Canada	1969	Norway	1970
Ceylon	1969	Peru	1970
Chad	1970	Philippines	1968
Colombia	1969	Poland	1968
Costa Rica	1968	Republic of Viet-Nam	1970
Cyprus	1968	Romania	1970
Czechoslovakia	1970	Rwanda	1970
Denmark	1969	Senegal	1968
Ecuador	1970	Spain	1969
Ethiopia	1969	Sudan	1968
Federal Republic of Germany	1969	Sweden	1968
France	1968	Syria	1970
Ghana	1969	Thailand	1970
Hungary	1969	Turkey	1970
Indonesia	1969	Uganda	1970
Iran	1968	Union of Soviet Socialist Republics	1969
Iraq	1968	United Kingdom of Great Britain and Northern Ireland	1970
Ireland	1969		
Italy	1969		

Committee on Commodities (continued)

<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
United States of America	1968	Venezuela	1968
Uruguay	1969		

Committee on Manufactures

<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Algeria	1970	Madagascar	1969
Austria	1970	Mexico	1970
Belgium	1969	Morocco	1968
Brazil	1968	Netherlands	1970
Canada	1968	Nigeria	1968
Chile	1969	Norway	1970
China	1968	Pakistan	1970
Colombia	1970	Philippines	1970
Congo (Democratic Republic of)	1969	Poland	1968
Czechoslovakia	1969	Republic of Korea	1969
Federal Republic of Germany	1969	Romania	1970
Finland	1968	Saudi Arabia	1970
France	1970	Spain	1969
Greece	1970	Switzerland	1968
Guinea	1968	Trinidad and Tobago	1969
Hungary	1968	Uganda	1969
India	1970	Union of Soviet Socialist Republics	1969
Iran	1970	United Arab Republic	1969
Israel	1968	United Kingdom of Great Britain and Northern Ireland	1969
Italy	1968	United Republic of Tanzania	1968
Ivory Coast	1969	United States of America	1968
Jamaica	1968	Venezuela	1970
Japan	1969		

Committee on Invisibles and Financing related to Trade

<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1968	Morocco	1968
Australia	1970	Netherlands	1969
Belgium	1969	Nigeria	1970
Brazil	1969	Pakistan	1970
Bulgaria	1969	Peru	1968
Cameroon	1969	Poland	1969
Canada	1968	Republic of Korea	1969
Ceylon	1970	Republic of Viet-Nam	1968
Chile	1969	Romania	1968
Congo (Democratic Republic of)	1969	Spain	1968
Czechoslovakia	1968	Sudan	1970
Denmark	1970	Sweden	1969
Federal Republic of Germany	1968	Switzerland	1969
France	1970	Tunisia	1969
Ghana	1968	Turkey	1970
Honduras	1970	Union of Soviet Socialist Republics	1970
India	1969	United Arab Republic	1968
Italy	1968	United Kingdom of Great Britain and Northern Ireland	1969
Japan	1968	United Republic of Tanzania	1970
Kuwait	1968	United States of America	1970
Lebanon	1969	Uruguay	1970
Mali	1968	Yugoslavia	1970
Mexico	1970		

Committee on Shipping

<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1968</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1970	Mali	1969
Australia	1970	Mexico	1968
Brazil	1968	Morocco	1969
Bulgaria	1970	Netherlands	1968
Canada	1970	New Zealand	1968
Central African Republic	1968	Nicaragua	1970
Chile	1970	Nigeria	1970
Colombia	1969	Norway	1968
Dahomey	1968	Pakistan	1969
Denmark	1968	Philippines	1969
Federal Republic of Germany	1970	Poland	1969
France	1968	Republic of Korea	1968
Ghana	1968	Romania	1968
Greece	1969	Spain	1969
Hungary	1969	Sweden	1969
India	1968	Thailand	1968
Indonesia	1970	Uganda	1970
Iran	1969	Union of Soviet Socialist Republics	1968
Iraq	1969	United Arab Republic	1970
Italy	1969	United Kingdom of Great Britain and Northern Ireland	1970
Ivory Coast	1970	United States of America	1969
Japan	1970	Uruguay	1969
Liberia	1970		

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD
ON ITS SEVENTH SESSION

Held at the Palais des Nations, Geneva,
from 2 to 23 September 1968

Chapter I

IMPROVEMENT OF THE INSTITUTIONAL MACHINERY AND THE METHODS OF WORK: DRAFT RESOLUTIONS ON INSTITUTIONAL ARRANGEMENTS REMITTED BY THE CONFERENCE. REPORT OF THE SECRETARY-GENERAL OF UNCTAD ON THE ACTIVITIES OF UNCTAD, IN PARTICULAR IN REGARD TO THE RESOLUTIONS AND OTHER DECISIONS OF THE SECOND SESSION OF THE CONFERENCE

(Agenda item 3)

1. The Board had before it the draft resolutions submitted by Chile and India (TD/L.30) and by Sweden (TD/L.34) at the second session of the Conference, which had been transmitted to the Board for study and decision, as well as the comments on those draft resolutions made by Governments in response to a request by the Secretary-General of UNCTAD (TD/B/175 and Add.-4). The Board also had before it a report by the secretariat on possible improvements in the instruments and methods of work of UNCTAD (TD/B/173 and Corr.1).
2. At the outset of the discussion, the thirty-one developing countries members of the Board submitted joint proposals for the improvement of the institutional machinery and methods of work of UNCTAD (TD/B/L.126). In introducing the joint proposals on behalf of all the sponsors, the representative of the Philippines explained that the document had been prepared on the basis of the aforementioned draft resolutions, the comments by Governments and the secretariat report, and that the suggestions contained therein were intended to enable UNCTAD to fulfil more effectively the mandate given to it by the General Assembly and to improve its working methods. The joint proposals had been drafted taking into account the circumstances in which UNCTAD had been brought into existence and the experience of its activities since that time. The proposals were being presented jointly to facilitate the discussion of the subject-matter under consideration and to enable the Board to review the institutional questions before it in a systematic manner.
3. The representatives of Chile and India gave their unqualified support to the joint proposals which, they considered, should be taken as superseding the working paper attached to the draft resolution which their Governments had co-sponsored at the second session of the Conference.
4. Most of the representatives who spoke during the debate pointed out that their statements should be considered as supplementing the comments made by their respective Governments in response to the note verbale addressed to them by the Secretary-General of UNCTAD. The views of the representatives of the developing countries, the developed market economy countries and the socialist countries of Eastern Europe coincided in many respects. In particular, there was a consensus that the institutional machinery of UNCTAD should be fully capable of facilitating the exercise of its functions with a view to achieving practical results. Its member Governments should seek to deal with the problems of trade

and development falling within the competence of UNCTAD as effectively as possible and should aim at having at their disposal efficient instruments of international co-operation. Certain deficiencies in the activities of the organization and in the conduct of the business of the second session of the Conference indicated that an examination was now necessary. It was generally agreed that the review should be conducted within the framework of General Assembly resolution 1995 (XIX), which provides that the Conference would review, in the light of experience, the effectiveness and further evolution of institutional arrangements with a view to recommending such changes and improvements as might be necessary.

5. Many of the representatives participating in the debate pointed out that the effectiveness of UNCTAD depended largely upon the political will and the spirit of co-operation of its member Governments. The achievements of international organizations were directly related to the extent of the support given by their members and to the latter's determination to give practical meaning and effect to the recommendations and policies resulting from their deliberations. The review by the Board of institutional arrangements and methods of work would therefore be carried out in this light and in the context of a renewed spirit of co-operation.

6. The developed market economy countries participating in the debate welcomed the constructive attitude and businesslike approach inherent in the joint proposals presented by the developing countries.

7. The socialist countries of Eastern Europe stated that they were in agreement with most of the suggestions which had been put forward by the developing countries and that, pending clarification of certain issues, they were prepared to support in principle the joint proposals.

8. It was agreed that the joint proposals would serve as a basis for the Board's discussion. The representative of the Philippines, speaking on behalf of the thirty-one developing countries members of the Board, expressed appreciation for the response that had been given to the joint proposals. After an exchange of views regarding the manner in which the Board would proceed in the consideration of the joint proposals, it was agreed to hold a general debate which would be followed by informal consultations among groups. The main points considered during the general debate are summarized below.

Functions of the Conference

9. The developing countries expressed the view that UNCTAD had advanced beyond the deliberative stage and that what was now required was concrete action, operational efficiency and practical results; the organization should thus devote itself more positively to the tasks of exploration, consultation and negotiation. The ability of UNCTAD to influence developed countries to adopt more favourable attitudes towards the problems of developing countries should be enhanced. Proper importance should be given to the review of the implementation of policies, in order to ensure progress in the adaptation of instruments and measures to the new conditions of world trade and development.

10. The developed market economy countries were of the opinion that the main function devolving upon UNCTAD was to provide a forum for the identification and discussion of matters within its competence, with a view to making policy recommendations. UNCTAD should indeed be action-oriented in the sense of promoting solutions to practical problems of trade and development. In their view, resolution 19 (II) of the Board set out adequate procedures for the review of implementation. They stressed that UNCTAD should be a forum for mutual persuasion and that constructive participation of developing countries in the formulation of policies and recommendations was extremely important. Realistic co-operation between developed and developing countries would lead to positive results. It was also stated by representatives of some developed market economy countries that global solutions, i.e. solutions aiming at the same time at comparable burdens for all developed countries and comparable benefits for all developing countries, were most difficult to devise. A search for solutions adapted to the varying situations of developed countries and to the needs of developing countries at different stages of development would be more promising provided an equitable balance was struck in the programme of action of UNCTAD. As a first step to this end, the Board should give full effect to resolution 24 (II) of the second session of the Conference, which provides for special measures in favour of the least developed countries.

11. Most representatives of developing and developed market economy countries were of the opinion that, regardless of their understanding of UNCTAD's functions and of the priorities that should be established for the discharge of such functions, it would be necessary to streamline and clarify some of the procedures by which Governments would seek positive results.

12. The debate largely centred on the concept and meaning of negotiation. In this respect, the developing countries shared the view expressed in the report by the secretariat (TD/B/173 and Corr.1, para. 15) that this term had undergone fundamental changes since the time when the developed and developing countries had come together in a common forum with the objective of considering jointly a world trade and development policy. Negotiation had taken on a new dimension which far surpassed the traditional concept as conceived in GATT and as applied in the trade relations between developed countries. In the main, UNCTAD should concentrate on negotiating a series of convergent measures and a common policy the application of which would be the responsibility of all member countries. Correspondingly, all nations would benefit from the trade and development strategy which would thus be formulated and put into effect. The objectives in the period ahead would, therefore, be the continued negotiation of agreements on an increasing number of issues ripe for action.

13. The developed market economy countries stated that the word "negotiation" should be considered in the context of the juridical character of United Nations decisions. To the extent that UNCTAD, like the General Assembly, could not by itself take decisions involving contractual commitments, negotiations within UNCTAD could not go beyond the concept of the term as traditionally accepted in United Nations organs. This did not mean that UNCTAD could not lay the basis for the negotiation of legal instruments. The convening of the Conference on Transit Trade of Land-locked Countries and of several United Nations commodity conferences illustrated the point. Thus, a distinction might properly be drawn between the process by which results were sought and the nature of these results.

14. In the view of these countries the principle might be adopted that the concept of process would not exclude adoption by UNCTAD of any method or technique which might be useful in arriving at a solution of a problem. It might be advisable to agree beforehand on some broad criteria for the use of various methods and techniques in specific situations upon the basis of the potential of a given procedure to lead to specific solutions. A procedure could also be established by which issues could be declared to have advanced to such an extent as to warrant the application of a different method or technique and to enter into the next stage or category of consideration. The main purpose of such a technique would be to ensure the effective contribution of a sufficient number of interested member States, both developed and developing, to the application of the method or technique envisaged. It was also pointed out by some delegations that in the process of negotiations it was necessary to take into account the constitutional and administrative requirements which established the framework within which Governments could act.

15. As regards the nature of the results, it was the view of the developed market economy countries that there was no need or scope for fundamental modifications and that therefore the result of UNCTAD's deliberations would continue to be of a non-committing nature as distinct from the legally binding character of the results of a negotiating conference especially convened to draft a legal instrument. Whenever, under the terms of General Assembly resolution 1995 (XIX), UNCTAD was the appropriate organization under the auspices of which such conferences should take place, a decision to that effect should be taken.

16. The socialist countries of Eastern Europe were in favour of increasing the efficiency of UNCTAD's activities in the normalization and promotion of all flows of international trade in accordance with the recommendations made by the Conference. They were of the opinion that the negotiating functions of UNCTAD should be strengthened so as to enable the organization to achieve concrete results on subjects within its competence. They stressed the need for universality of the membership of UNCTAD and said that the fact that UNCTAD had so far failed to become genuinely universal had hampered its efficiency. These countries were also of the opinion that UNCTAD should be capable of discharging more effectively the co-ordinating functions in the field of trade and of problems of development related to trade entrusted to it under the terms of General Assembly resolution 1995 (XIX).

Relationship of UNCTAD to the United Nations Development Programme (UNDP)

17. The developing countries proposed that UNCTAD should be given the status of a participating agency of UNDP. They stated that the main consideration underlying their proposal was the need to increase the effectiveness of UNCTAD in the formulation and preparation of projects and the negotiation and implementation of technical assistance to developing countries in the field of trade and invisibles. It was pointed out that UNIDO, which had virtually the same status as UNCTAD, had been designated a participating agency of UNDP. In their view such a change in status was called for in the light of the establishment of the joint UNCTAD/GATT International Trade Centre and of the increasing interest of UNCTAD in the field of technical assistance, invisibles and trade expansion of developing countries. This proposal was supported by the socialist countries of Eastern Europe. They also noted the clarifications of the Secretary-General of UNCTAD on this subject.

18. One developed market economy country also supported the proposal. Representatives of other developed market economy countries said that they kept an open mind on the matter and were prepared to discuss it further. A number of questions as to the real advantages and implications of the proposed change in status were raised. These countries took note in particular of the statement in the report by the secretariat (TD/B/173 and Corr.1, para. 24) that a change in the relationship of UNCTAD to UNDP would not involve the creation of new services within UNCTAD for the administration of technical assistance, as UNCTAD's role would be essentially one of substantive support. The administrative services would continue to be provided by existing United Nations units, notably the Office of Technical Co-operation.

Future sessions of the Conference, the Board and its committees

19. It was generally agreed that one of the main purposes of the Board's review of institutional matters should be to achieve a better balance of functions among the various organs of the Conference and ensure that each organ would perform the responsibilities entrusted to it with greater efficiency and dynamism. There was a consensus that future sessions of the Conference should be shortened and that their agenda should be prepared with that end in view. The developing countries pointed out that the Conference should be able to concentrate on the tasks of reviewing action taken by Governments to implement the recommendations of UNCTAD and of setting out guidelines for future action, provided that the permanent machinery of UNCTAD was strengthened adequately to carry out the tasks of consultation, negotiation and agreement on practical measures. Some developed market economy countries were of the opinion that, if this principle were to be adopted as the **criterion for the selection of items to be considered by the Conference**, the agenda of future sessions would not be very different, or more limited, than that of the second session. It was emphasized by representatives of a number of developed market economy countries that the Board, in its capacity of preparatory committee of the Conference, should attempt to set out certain guidelines which would ensure that the Conference would direct its attention to a **limited number of issues of special importance to its members**.

20. It was generally agreed that the Board should normally hold one regular session a year. The representatives of developing countries and the socialist countries of Eastern Europe suggested that, wherever appropriate, the Board should hold meetings at the ministerial level in order to consider specific matters of particular significance or matters requiring urgent decision. In the view of these representatives the Board should become the main organ of consultation and negotiation. Appropriate procedures should be adopted in order to ensure the participation in the Board of UNCTAD members not represented on the Board when matters directly affecting their specific interests were considered.

21. It was further agreed that the Board's main committees should normally meet once a year and that the duration of their sessions should be reduced. An appropriate interval should elapse between the sessions of the committees and the session of the Board in order to enable members of the Board to consider carefully the committees' recommendations.

22. It was agreed that consideration should be given to reducing the volume of the documentation, including summary records, prepared for and during the sessions of UNCTAD bodies, and that all documents should be distributed well in advance of meetings of UNCTAD bodies. Some representatives were of the opinion that further improvement in the efficiency of the secretariat should not be sought by enlarging the staff and increasing the volume of documentation.

Intergovernmental groups, expert groups and working parties

23. The developing countries proposed, as a means of facilitating the operations of UNCTAD, a system of working through ad hoc bodies (e.g. intergovernmental consultative groups) with well-defined terms of reference and limited membership which would meet in private, with a time-limit for the completion of their assignments, for the consideration of questions of substantial interest to the countries members of such groups. They also proposed that the Secretary-General of UNCTAD should be authorized to appoint and convene such bodies if the need to deal with urgent matters and situations should arise. The results of such meetings would be brought to the attention of the Board or of the appropriate Committee at the earliest opportunity. The socialist countries of Eastern Europe agreed in principle with this proposal. In their view the convening of these bodies should be entrusted to the Board and to main committees, and to the Secretary-General of UNCTAD after prior consultation with interested Governments.

24. In the view of the developed market economy countries, a distinction should be made between groups dealing with primary commodity problems and groups dealing with other matters. They pointed out that the Secretary-General of UNCTAD had authority under resolution 16 (II) of the second session of the Conference to arrange for intergovernmental consultations on commodities. Representatives of some developed market economy countries found it practicable, considering that the Board might meet **only** once a year, to confer upon the Secretary-General of UNCTAD the authority to convene groups dealing with other matters, on condition that he undertook necessary consultations with all the member Governments concerned. With regard to groups dealing with other matters, representatives of other developed market economy countries questioned the necessity of giving such authority to the Secretary-General of UNCTAD because they could not conceive of a situation in which the urgency would be such that, given the existing rules of procedure and the calendar of meetings of UNCTAD bodies, it could not be dealt with by one of the standing organs of the Conference. As regards the composition of the proposed ad hoc bodies, the representatives of some developed countries expressed the opinion that, in order to ensure the efficiency of the work undertaken by these bodies, they should be as small as possible, but include member States having a real and present interest in the subjects under consideration and wishing to participate.

UNCTAD/GATT relations

25. There was a consensus among the members of the Board that an effort should be made to reduce the areas of duplication wherever they existed between UNCTAD and GATT. It was stated by a number of delegations that arrangements for joint work should be explored. Reference was made in this connexion to the experience gained in the working of the joint UNCTAD/GATT International Trade Centre established on 1 January 1968. The view was expressed by representatives of several developed

market economy countries that although the desirability and necessity of joint activities could only be resolved in some cases at the intergovernmental level, there were other matters which could well be worked out by the secretariats of both organizations. It was suggested by most of the delegations that the Secretary-General of UNCTAD and the Director-General of GATT should consult regularly in order to co-ordinate activities at the secretariat level. The representatives of some socialist countries of Eastern Europe and some developing countries stressed that the co-ordination of activities between UNCTAD and GATT should be carried out on a rational basis with due regard to the fact that UNCTAD was the most representative and competent body for the consideration of world trade problems.

The group system

26. During the debate some observations were made by representatives of a number of developed market economy countries on the working of the group system. The representatives of these countries, while recognizing that the system had proved to be advantageous and had facilitated the exchange of views, emphasized that groups should be more flexible in their operation and that there should be considerably more dialogue among groups and between member countries belonging to different groups.

Action by the Board

27. After the general debate, the President, with the consent of the Board, appointed an informal contact group which considered in detail the proposals made with a view to working out an agreed solution. As a result of the deliberations of the contact group, the Board at its 173rd plenary meeting on 21 September 1968 adopted unanimously, on the proposal of the President, the decision on the improvement of the institutional machinery and methods of work of UNCTAD (TD/B/L.140). 1/

28. The Board also adopted unanimously a draft resolution proposed by the President recommending that the General Assembly designate UNCTAD as a participating organization of UNDP (TD/B/L.140, annex I) 2/ In this connexion the Secretary-General of UNCTAD made the statement reproduced in document TD/B/L.140, annex II. 3/ The secretariat was requested to bring to the attention of the General Assembly as promptly as possible the draft resolution recommended for the Assembly's approval in the Board's resolution concerning technical assistance in trade and related fields. The secretariat was also requested to draw the attention of the main committees of the Board at their next session to the relevant provisions contained in the decision on institutional machinery.

1/ For the text of the decision as adopted, see annex I to this part of the present report, decision 45 (VII).

2/ For the text of the resolution as adopted, see annex I to this part of the present report, resolution 44 (VII).

3/ For the text of the statement, see appendix to resolution 44 (VII).

Report of the Secretary-General of UNCTAD on the activities of UNCTAD, in particular in regard to the resolutions and other decisions of the second session of the Conference

29. In connexion with the second part of agenda item 3 relating to the report of the Secretary-General of UNCTAD on the activities of UNCTAD (TD/B/174), it was suggested that more specific information and details in this regard would provide a useful basis on which to finalize the calendar of meetings. It was essential to have a clear view of timing and priorities, so that the Board might be in a position not only to adopt the provisional agenda for the eighth session, but also to take a longer-range view and examine a draft of the provisional agenda for the ninth session and a time-table of the follow-up action on the decisions of the Conference to be taken in the various bodies of the Board.

30. The secretariat stated that it would prepare the draft provisional agenda for both the eighth and ninth sessions of the Board, i.e. covering the whole of 1969, and attempt to present a synoptic time-table of the follow-up action on the decisions of the Conference to be taken in the various bodies of the Board indicating the time sequence, for their consideration.

31. This time-table, subsequently circulated as document TD/B/L.136 and Corr.1, was voted, and some delegations commended it as a useful guide for the follow-up action to be taken by the Board and its main committees in connexion with the decisions of the Conference adopted at its second session.

Chapter II

OTHER INSTITUTIONAL MATTERS^{4/}

(Agenda item 5)

(a) Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements

32. The representative of the Secretary-General of UNCTAD, introducing the debate on item 5 (a), explained that it arose out of the "Concerted Declaration on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries", adopted without dissent at the second Conference (decision 23 (II) of 26 March 1968), which states that "appropriate institutional arrangements for continuing work on this subject, on a permanent basis within the UNCTAD framework, should be set up before the end of 1968".

33. In putting forward its own tentative suggestions (TD/B/183 and Add.1) for consideration by the Board at its seventh session, the secretariat had largely based itself on the suggestions made on the subject during the second Conference (TD/L.37/Add.8 and TD/II/WG.II/L.12).

34. Representatives in general expressed their appreciation of document TD/B/183 and Add.1. Many representatives welcomed the action already taken in establishing the Special Programme on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries, which had been placed under the direct authority of the Secretary-General of UNCTAD. There was a general affirmation of the important role which UNCTAD should, and could, play in this field.

35. The representative of a socialist country of Eastern Europe stressed the important role which the various regional economic commissions of the United Nations had played and were to play in the future in the field of economic co-operation among developing countries. As to the role of UNCTAD in that respect, he held that it showed itself to be mainly concerned with the problems of trade among developing countries.

36. On the question of the intergovernmental machinery for dealing with the matter in UNCTAD, the developing countries had stated at the New Delhi Conference (TD/II/WG.II/L.12) that "UNCTAD II should make provision for the establishment of a Permanent Committee to deal with specific problems relating to trade expansion, economic co-operation and integration among developing countries, in particular those referred to in section F of the Charter of Algiers". The secretariat had suggested (TD/B/183, para.22) that, rather than deciding now to set up another permanent committee, it might be preferable to call one intergovernmental meeting to take stock of and examine the outstanding questions in this field which could usefully be considered in UNCTAD and might be amenable to international action.

^{4/} This item was referred to the Sessional Committee for consideration and report.

37. The representatives of a number of developing countries stressed the importance of setting up a permanent committee. While the representatives of some developing countries laid particular stress on this point, several developing countries were willing to go along under present conditions with the suggestion of convening an intergovernmental meeting.

38. The representatives of the developing countries who supported the proposal for appointing a permanent committee stated that the convening of an ad hoc intergovernmental meeting would not be consistent with the Concerted Declaration, which envisaged permanent institutional arrangements dealing with this subject.

39. The representatives of some developed market economy countries stressed that in their view the proposals in document TD/B/183 fully met the requirements of paragraph 23 of the Concerted Declaration.

40. Some developing countries thought that the date which the secretariat had mentioned for the intergovernmental meeting was too far in the future, for the recommendations of such a meeting would not reach the Trade and Development Board until late in 1970, and that this was not the intention of the Concerted Declaration. They accordingly proposed that an intergovernmental meeting should be held in mid-1969, so that the Board at its ninth session would be able to consider its results and decide on the appropriate further action. It was also mentioned that instead of holding a large intergovernmental meeting, such highly technical subjects should be prepared in expert groups that the Secretary-General of UNCTAD would be authorized to convene.

41. Several representatives of developing countries stressed the need for specialists to attend such a meeting. One of them thought that, for the present, the secretariat's suggestion was acceptable but stated that the success of such a meeting would depend on the agenda and on careful preparation. Another put forward the opinion that the role of UNCTAD in this field should consist mainly of the consideration of those problems which developing countries experienced vis-à-vis developed countries when they engaged in regional economic co-operation; both the possible positive action of developed countries and the negative aspects, such as reverse preferences which some of them enjoyed in developing countries, should be brought out.

42. The representative of one developed market economy country indicated that UNCTAD had also an important role to play in the comparison of the experiences of groups of developing countries.

43. While some representatives of developed market economy countries had no basic objections to the proposal for setting up a permanent committee, many other representatives of these countries expressed doubts on the usefulness of such a committee. Developed market economy countries supported mostly the idea of convening an intergovernmental meeting late in 1969 or early in 1970 to allow time for preparatory work. Some of these representatives said that before the agenda could be made final, it would need careful consideration by the secretariat, as well as by Governments and by the Board.

44. The representative of one developed country stated that there were already too many bodies and meetings in the United Nations and that this proliferation of institutions impeded concentrated study of problems. He suggested that the

existing committees of UNCTAD should be instructed, when dealing with relations between developing and developed countries, always to examine the possibilities of furthering the expansion of trade and regional co-operation among developing countries and to put forward appropriate suggestions. He thought that the proposed intergovernmental meeting would amount to a kind of third world trade conference for one special subject, and would offer little likelihood of coming to practical solutions on concrete problems. His proposal was that the Trade and Development Board should appoint an ad hoc sessional committee whenever the secretariat felt it needed guidance for practical solutions to its work in this field.

45. A few developed countries suggested that a sessional committee of the Board or a working party during a session of the Board might examine, with respect to specific trade expansion and integration schemes which developing countries had worked out or were implementing, the positive results achieved as well as the problems which developing countries faced. Such an analysis, which might be undertaken at the request of the groups concerned, would make it possible, among other things, to identify the needs for outside assistance and to help countries in arriving at a decision about the kind of support the developed countries could bring to the efforts of the developing countries. One developed country, on the other hand, expressed strong reservations about UNCTAD involving itself in cumbersome procedures relating to the implementation of the declaration of support.

46. Several developed market economy countries stressed that they did not wish to take up a dogmatic position. Leaving the situation flexible would make it possible in the future to adapt the institutional arrangements to needs as they arose. Some representatives stated that the idea of an intergovernmental meeting was not incompatible with regular ad hoc consideration of the subject at a sessional committee or working party meeting during sessions of the Board when high-level representatives would be present in Geneva, though this intergovernmental meeting should not constitute a first step towards the establishment of a permanent committee. One representative did not preclude the possibility that an intergovernmental meeting might recommend the establishment of a permanent committee and thought that, in the meantime, the case for setting up a new committee should be more soundly based on an examination of what such a committee could do.

47. The representative of a socialist country of Eastern Europe stated that the proposal for an intergovernmental meeting deserved due attention and that the agenda should be dealt with more concretely. He added that from time to time the Trade and Development Board could probably keep under review the questions of trade expansion, economic co-operation and regional integration in one of its sessional committees.

48. On the question of the functions of the UNCTAD secretariat in the field of trade expansion, economic co-operation and regional integration, all countries agreed that research in this field was an appropriate and valuable activity for the secretariat. One developed country, however, referred to the need for reviewing any financial implications which might be involved. Most countries emphasized that the research should be directed at providing practical solutions for specific problems common to various economic groupings. The secretariat's suggestions for research contained in the addendum to document TD/B/183 were generally considered to reflect this concern. However, some countries pointed out

that though problems had some similarity in the various developing regions, they might not be identical and that supplementary studies might therefore be necessary in applying research results to the realities of concrete situations and to the elaboration of tailor-made solutions. Some representatives stressed that action by the interested countries and by the UNCTAD secretariat should not be delayed pending receipt of the results of the research programme envisaged. It was felt, too, by some representatives that the frame of reference in the research projects might embrace the experiences of developed countries since these might provide some useful insights into specific problems confronting developing countries.

49. The need for establishing priorities in carrying out the research programme was generally recognized, and the opinion was expressed that studies having no immediate connexion with reality should be avoided. Several developing countries and developed market economy countries gave specific indications as to the subjects listed in the addendum to document TD/B/183 which should be given priority in the research programme; these included particularly subjects of special interest to the least advanced developing countries and the payments questions relating to trade among developing countries. It was recognized that the subjects listed might need to be revised as the exigencies of the time might suggest.

50. Considerable stress was laid by a number of representatives on the importance of relating the execution of the research programme to the work and activities of the regional commissions and of all other appropriate bodies, in particular those of GATT, of the joint UNCTAD/GATT International Trade Centre and of the Trade Negotiations Committee of developing countries. The representative of one developed country stated that UNCTAD should refrain from undertaking tasks which might be done more economically elsewhere. A few representatives of developing countries suggested that the secretariat should seek to collaborate with, and request assistance from, GATT, the Council for Mutual Economic Aid, the European Economic Community and the European Free Trade Association; they thought that one way in which the latter organizations could help would be by releasing personnel to assist with the research programme.

51. The idea that UNCTAD should function as a clearing-house for the dissemination of research and significant information on trade expansion, economic co-operation and regional integration found general acceptance.

52. The representatives of developing countries who spoke on the matter of technical assistance and those of many developed countries were in favour of the UNCTAD secretariat playing an active role in that field. The developing countries, in particular, reiterated their New Delhi proposal of setting up a nucleus of highly qualified inter-regional advisers to be readily available to Governments and regional bodies for short-term advisory services. The representatives of many developed countries referred positively to this proposal, although one of them said he would need more detailed information before he could express an opinion. There was agreement in general that UNCTAD should maintain a roster of experts qualified in specific problems of trade expansion, economic co-operation and regional integration. However, it was stated that great care should be exercised in ensuring that the persons entered on this roster or chosen for the nucleus were really highly qualified to deal with the problems concerned, and in making sure that the services of the advisers were fully utilized. Some representatives also expressed the wish that the roster of experts, in being selective, should not be too large. The developing countries generally emphasized

the importance of and the need for technical assistance for ensuring the success of action programmes in the field of trade expansion, including export promotion, and of economic co-operation and regional integration. One of these countries pointed out that the present procedures for obtaining technical assistance were cumbersome and that there was a scarcity of experts in this subject. Some countries referred to the desirability of enlisting the co-operation of GATT in this field.

53. Many developing countries referred also to their proposal for a special training centre for experts in this field, and spoke of their great need in this respect. Several developing countries supported the idea that the UNCTAD secretariat should organize seminars for the exchange of experience between the regions on problems of common interest to them. Several developed market economy countries had reservations with regard to the proposed training centre and some of them considered that consideration of the matter should be delayed until the secretariat had prepared a more detailed report with more specific recommendations. The representative of one of these countries said that more convincing arguments were needed to demonstrate that the work of this centre could not be done by the joint UNCTAD/GATT International Trade Centre.

54. With respect to the Trade Negotiations Committee set up by developing countries Contracting Parties to GATT, the secretariat stated, in response to requests for information, that the Secretary-General of UNCTAD and the Director-General of GATT had arranged for their secretariats to co-operate in the preparations for such negotiations, particularly with a view to enabling **all interested developing** countries, whether or not Contracting Parties to GATT, to participate in these negotiations on an equal footing. On the basis of these arrangements, the UNCTAD secretariat had participated in the deliberations of the Committee since the autumn of 1967. The secretariat stated that there would probably be discussions with GATT on the means of co-ordinating the efforts of both secretariats and avoiding duplication in the various fields of activity of the two institutions and that it was the intention of the Secretary-General of UNCTAD to take up, in the course of these discussions, the practical arrangements for the co-operation between the two secretariats in these negotiations. It was also his intention to report on this matter to the Trade and Development Board at its next session.

55. One developed market economy country expressed concern about the financial implications contained in the words "jointly serviced", which were used for describing the co-operation of GATT and UNCTAD in connexion with this Committee. The representatives of another developed market economy country expressed the opinion that, instead of undertaking the same tasks, the secretariats of UNCTAD and GATT should each provide the services necessary for the efforts aiming at trade expansion, economic co-operation and regional integration in respect of the action and fields coming within the scope of their respective competence. The representative of the Secretary-General of UNCTAD explained that it was the intention of the Secretary-General to continue to co-operate with the Trade Negotiations Committee in the framework of the resources available for the work programme on trade expansion, economic co-operation and regional integration.

56. On the conclusion of the debate in the Sessional Committee, the representatives of a number of countries indicated that it would be useful if further consideration of this item was continued in the Board.

Action by the Board

57. At the 173rd meeting of the Board on 21 September 1968, the developing countries submitted a draft resolution entitled, "Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements" (TD/B/L.139). 5/ In informal consultations subsequently conducted by the President it appeared that the other groups felt that the draft resolution required time for careful consideration. The sponsors, therefore, withdrew the draft resolution, but expressed the wish that the item should be dealt with at the eighth session as a matter of priority.

58. Representatives of some developing countries recalled that in view of the importance which they attached to the Concerted Declaration on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries, unanimously adopted at New Delhi (decision 23 (II)), they had had the expectation that at its seventh session the Board would set up permanent institutional arrangements in the framework of UNCTAD for dealing with this subject. They regretted that this had not been possible and that the consideration of the subject had to be postponed to the eighth session of the Board.

59. With the approval of all groups, the President, in his summing up of the debate on the item, noted that while it was not possible, at the present time, to work out a text common to all groups, the discussions as reflected in this report made clearly apparent the great interest of all groups and large areas of agreement between them regarding the subject under consideration. The following consensus could, therefore, be established.

60. The Board generally welcomed the establishment in the UNCTAD secretariat of the Special Programme on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries. It generally felt that the secretariat should resolutely pursue its efforts and activities in the light of the discussions and that it should, in particular, make full use of the various opportunities offered under the United Nations Technical Assistance Programme, especially if the General Assembly endorsed the Board's recommendation that UNCTAD should become a participating organization in UNDP.

61. Aware of the fact that, in accordance with decision 23 (II) of the Conference, the Board should have established before the end of 1968 institutional arrangements for continuing work on this subject on a permanent basis within the framework of UNCTAD, the members of the Board stated their determination to take the appropriate decisions at the eighth session of the Board, i.e. in January/February 1969. The consideration of the item should, therefore, receive appropriate priority on the agenda of the eighth session of the Board.

(b) International legislation on shipping: recommendation of the Conference for the creation of a Working Group of the Committee on Shipping

62. This item on the agenda was brought to the attention of the Board in pursuance of resolution 14 (II) on international legislation on shipping, adopted by the second session of the Conference. Operative paragraph 1 (a) of resolution 14 (II) recommends "that the Trade and Development Board instruct the Committee on

5/ The text of the draft resolution is reproduced in annex V to this part of the present report.

Shipping to create a Working Group on International Shipping Legislation ...". Operative paragraph 1 of the resolution also contains recommendations concerning the composition, terms of reference and programme of work of the proposed Working Group.

63. A note had been circulated by the Secretariat of the United Nations, 6/ entitled "The role of the United Nations Commission on International Trade Law in international shipping legislation" (TD/B/SC.8/1). Paragraph 6 of this note suggested that "considering the interest of UNCTAD in an early review of international shipping legislation and the importance of avoiding duplication of work within the United Nations, it would seem appropriate at this stage for the Board to recommend that UNCITRAL should add that subject to its priority items".

64. The opposition of most of the developed market economy countries to the adoption of resolution 14 (II) by the second session of the Conference was recalled by some of their representatives. The view of many of these countries, as expressed by some of their representatives, was that it should be left to the Committee on Shipping to interpret and implement the recommendations contained in resolution 14 (II). According to this view, the Board, at the seventh session, should take only such action as was necessary to place resolution 14 (II) on the agenda of the next session of the Committee on Shipping. This action could take the form of a reference in the report of the Board. Some of the representatives expressing this view stressed that the course of action proposed by them would not impair resolution 14 (II) and that it would allow time for further consideration of this matter by Governments. They said that this further consideration might be conducive to the evolution of an over-all consensus at the next session of the Committee on Shipping. They expressed the hope that informal talks might be held before any decision was taken.

65. In recalling the views they had expressed in the discussion of international shipping legislation at the second session of the Conference, the representatives of some of the developed market economy countries referred to in the preceding paragraph reiterated their opinion that there was no need for UNCTAD to be involved in work on this specialized subject, since established intergovernmental and non-governmental organizations (for example, the Inter-Governmental Maritime Consultative Organization and the Comité Maritime International) were already working effectively in this field. The representative of another of the developed market economy countries referred to in the preceding paragraph was prepared to recognize a catalytic role for UNCTAD in stimulating improvements and innovations in maritime law, provided that substantive work was carried out by other competent organizations.

66. The representative of a developed market economy country, whose delegation to the second session of the Conference had abstained in the vote on resolution 14 (II), explained that this abstention had been due to uncertainty about some parts of that resolution dealing with the lines on which the group would operate. He stated that, since his country was a user of shipping, his delegation was sympathetic to the broad objectives of resolution 14 (II) and was in favour of UNCTAD undertaking work on economic and commercial aspects of international shipping legislation and of establishing a working group of the Committee on Shipping to review this subject and identify areas where new or modified laws might be considered. His delegation felt that UNCITRAL should be the body to undertake any substantive work which might be found necessary as a result of the work of UNCTAD. He appealed for a consensus on the item under consideration to

6/ Submitted jointly by the secretariat of UNCTAD and the United Nations Office of Legal Affairs.

ensure that those countries which had voted against the adoption of resolution 14 (II) would be able to participate constructively in the future work of UNCTAD on international shipping legislation.

67. A draft resolution on this item of the agenda was submitted by the developing countries members of the Board (TD/B/SC.8/L.4).

68. In introducing this draft resolution on behalf of all the sponsors, the representative of a developing country explained that the draft was intended to implement the recommendation contained in operative paragraph 1 (a) of resolution 14 (II). The sponsors of the draft resolution did not see that the Board could do otherwise than to accept the decision of its parent body, as clearly expressed in resolution 14 (II). This representative said that the operative paragraphs of the draft resolution were identical in substance (and nearly identical in form) to operative paragraph 1 of resolution 14 (II). He explained that the second preambular paragraph of the draft resolution (reading "Taking note also of the views expressed on the subject during the Conference") had been inserted by the sponsors in deference to the known preoccupations of those countries which had voted against the adoption of resolution 14 (II). He stated that the sponsors of the draft resolution believed that the Board would have no difficulty in accepting the draft.

69. The representatives of several other co-sponsoring developing countries made similar statements in support of the draft resolution. One of these representatives, in reply to a question, explained that the third preambular paragraph of the draft resolution was intended to ensure that the shipping interests of land-locked developing countries were taken into account in UNCTAD's work on maritime law and that it was related to resolution 11 (II), adopted unanimously by the second session of the Conference.

70. The representative of one of the socialist countries of Eastern Europe said that resolution 14 (II) left no doubt about the follow-up action to be taken by the Board and that the draft resolution was in conformity with the position which his delegation had taken on this subject at the New Delhi Conference. His delegation was prepared, however, to examine proposals which would elicit a more constructive approach from those countries which did not find the draft acceptable. His Government would be willing eventually to consider participating in the proposed Working Group on International Shipping Legislation.

71. In commenting on the draft resolution, the representative of one of the developed market economy countries said that most of these countries did not regard the draft as an acceptable result of the deliberations. He sought explanations of certain points in the draft, specifically the relevance of the third preambular paragraph and the meaning of the phrase "from among member countries" in operative paragraph 1 of the draft. He stated that it was not clear from this phrase whether the proposed working group was to be composed of States members of the Committee on Shipping or of States members of UNCTAD, and that there were States in the latter category but not in the former which were interested in maritime law. The representative of another developed market economy country inquired whether it was the intention of the sponsors of the draft resolution that the Committee on Shipping should be free to interpret in a flexible manner the guidelines concerning the terms of reference and programme of work of the

proposed Working Group contained in the operative paragraphs of the draft resolution. The representatives of developed market economy countries felt that there was still scope for informal discussions, in which they were prepared to participate whenever this would be convenient to the other groups.

72. In the course of the proceedings in the Sessional Committee on item 5 (b), a number of delegations expressed their opinions on the suggestion contained in paragraph 6 of document TD/B/SC.8/1, quoted in paragraph 63 above. The representatives of several developing countries referred to the position they had stated during the debate on item 9. 7/ The representative of one developed market economy country supported this suggestion, which was in line with his delegation's views on the mandate of the proposed Working Group on International Shipping Legislation. The representative of another developed market economy country thought the suggestion needed further consideration and that it was not quite in accordance with resolution 14 (II). The representative of a socialist country of Eastern Europe thought that specific requests from the Committee on Shipping for UNCITRAL to undertake legal drafting work should be given due attention by UNCITRAL.

73. In view of the lack of a consensus on the action to be taken in fulfilment of Conference resolution 14 (II), the Sessional Committee decided to transmit to the Board the draft resolution in question (TD/B/SC.8/L.4).

Action by the Board

74. At the 173rd meeting of the Board on 21 September 1968, the President stated that, as a result of informal consultations, it had been possible to work out the text of a draft resolution which he hoped the Board would find acceptable and which he formally submitted to the Board (TD/B/L.141). He said that many representatives, in view of the importance of co-operation between UNCTAD and UNCITRAL at the intergovernmental and secretariat levels, recommended that UNCITRAL should take the necessary measures to deal as a priority topic with international shipping legislation in respect of subjects referred to UNCITRAL by the Committee on Shipping on the recommendation of the Working Group.

75. At the same meeting the Board adopted this draft resolution unanimously. 8/

7/ The suggestion was also discussed during the debate on item 9 (see chapter IV). In the course of that discussion, representatives of several developing countries and of some socialist countries of Eastern Europe expressed themselves in favour of the suggestion.

8/ For the text of the resolution as adopted, see annex I to this part of the present report, resolution 46 (VII).

(c) Transfer of technology, including know-how and patents: draft resolution on the establishment of an intergovernmental committee transmitted by the Conference

76. Under this item the Sessional Committee considered the draft resolution 9/ which the Conference had remitted for consideration to the seventh session of the Board and which proposed inter alia that the Board, after obtaining the views of the Economic and Social Council, consider the establishment of an intergovernmental committee to examine the over-all question of the transfer of technology to developing countries. The Economic and Social Council had discussed this draft resolution at its forty-fourth and forty-fifth sessions, in the light of a report on institutional arrangements in this field prepared by the Secretary-General of the United Nations (E/4552). At the request of several delegations the relevant documents of the Economic and Social Council were made available for the purpose of the discussion.

77. In its resolution 1361 (XLV) the Economic and Social Council had requested the Secretary-General of the United Nations, in consultation with the Secretary-General of UNCTAD and with other appropriate organizations, to submit a further report to the Council at its forty-sixth session, outlining the means by which the scope of present and contemplated activities in the field of transfer of science and technology could be more clearly defined, strengthened and co-ordinated. The resolution (TD/B/182, annex) also requested the Board to take into account the views expressed by the Economic and Social Council, including the desirability of deferring any final action on the draft resolution remitted by the Conference until the Board had had an opportunity to consider the further report requested by the Council and the comments made thereon at its forty-sixth session.

78. The Sessional Committee had before it two draft resolutions, one (TD/B/SC.8/L.1) submitted by the countries in list B of the annex to General Assembly resolution 1995 (XIX) and the second (TD/B/SC.8/L.3) by the countries in lists A and C.

79. In the discussion of this subject, the representatives of developed market economy countries, while they were convinced of the vital importance of facilitating the transfer of technology to developing countries, considered that the creation of a new intergovernmental body could lead to duplication and overlap with existing bodies and would have important financial consequences. They drew attention to the work at present being undertaken within the United Nations system, in particular by UNIDO and UNESCO and by the Advisory Committee on the Application of Science and Technology to Development, as well as by the International Union for the Protection of Industrial Property. They doubted whether the creation of new machinery would add to the sum total of United Nations efforts in this field, but their minds were not closed, if it could be clearly demonstrated that there were institutional gaps that it was desirable to fill. That was why they welcomed the interest of the Economic and Social Council and considered it prudent to await the outcome of the Council's deliberations.

80. It was pointed out by the representative of one developed market economy country that the further report requested by the Council was to be made in consultation with the Secretary-General of UNCTAD, who would therefore have every opportunity of conveying his own views and those of member States of UNCTAD. In this connexion the representative of another developed country expressed the view

9/ Contained in Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.68.II.D.14), annex VIII.

that operative paragraph 2 of the draft resolution submitted by developing countries (TD/B/SC.8/L.3) appeared to prejudge the issue, in so far as it requested the Secretary-General of UNCTAD, in co-operating in the preparation of the report to the Council, to take into consideration "the fact that the existing institutional arrangements are not adapted in this respect to the requirements of the developing countries".

81. The representative of one developing country drew attention to the fact that the UNCTAD secretariat itself, in recognition of the importance of this subject, had commissioned a study of the problems encountered in practice in the transfer of technology, including know-how and patents, to developing countries. He enumerated the reasons which the study brought out as the main impediment to the transfer of technology to the developing countries (see document TD/28/Supp.1) and the steps taken by his Government to encourage the transfer of technology.

82. He listed several ways by which technology could be transferred to developing countries and urged developing countries to consider granting, among others, the following incentives to encourage such transfers:

- (i) technologists and patentees should be granted the required monopoly within the contractual period set by the agreement between the patentee and the particular country;
- (ii) a percentage of equity shares in the particular investment should be granted the patentee;
- (iii) after the end of the contractual period of the patent a scheme of goodwill payment to the patentee might be granted for some specific number of years;
- (iv) where the investment could not be carried out for lack of local capital supply by private citizens, the Governments of the developing countries should provide the remaining part of the equity shares;
- (v) some direct subsidies within the permissible rule of GATT and some export rebate system might be encouraged;
- (vi) a scheme whereby security of tenure is granted to the technologist would be of advantage not only in working the present technology but would probably encourage him to embark on new inventions;
- (vii) private research institutions might also be encouraged by government grants where some industries producing similar products jointly set up a research association.

83. The representative of a developed market economy country, referring to the experience of his country's industrialization, emphasized that the acquisition of technology solely through transfer was not sufficient. Equally important was the ability of the recipient country to absorb and apply new technology by building up its own development efforts on the basis of judicious long-range programmes and providing educational and training facilities for its industrial labour force.

84. The representative of a socialist country of Eastern Europe, while recognizing that the draft resolution remitted by the Conference to the Board contained many interesting proposals, also expressed concern at the possibilities of overlap with existing machinery, and referred to the comprehensive resolution on technology adopted by the General Assembly at its twentieth session (resolution 2091 (XX)). Economic aspects of the transfer of technology could be dealt with by the Board's Committee on Invisibles and Financing related to Trade, among other bodies, and caution should be exercised before a decision was taken to establish any new intergovernmental body until it was quite clear that this constituted a wise use of financial and other resources. That was why he favoured acceding to the request of the Economic and Social Council.

85. Representatives of developing countries did not believe that the creation of appropriate intergovernmental machinery within UNCTAD would lead to a duplication of activities and pointed out that the proposal contained in their draft resolution (TD/B/SC.8/L.3) had taken into account the views expressed by the Economic and Social Council since no final action would be taken by the Board before the Council's forty-sixth session. Stressing the vital and urgent importance of the transfer of technology to developing countries, they urged the need for appropriate intergovernmental machinery that would be responsible for keeping the whole question under continuous review. They emphasized the role that UNCTAD might play in the transfer of technology in accordance with the objectives of the organization and pointed out that existing institutional arrangements in this field were not adapted to the requirements of the developing countries. At present, the subject of transfer of technology was dealt with piecemeal by different bodies, each within its field of competence, and moreover the work of the Advisory Committee on the Application of Science and Technology to Development and of other bodies was essentially of a technical and scientific nature and did not deal with broader matters such as the terms and conditions of transfer. There was need for an exchange of views such as UNCTAD had already begun with some success in the fields of visible and invisible trade and of financing, so that new ideas and policies could be clarified and formulated.

86. Representatives of developing countries pointed out that whereas the United Nations had first dealt with this subject at the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas, held in 1963, nothing very concrete had ever emerged. Nor had any practical effect been given to subsequent recommendations on the matter by the General Assembly or the Economic and Social Council. Action at the intergovernmental level was therefore necessary to determine and fill the gaps in the present arrangements regarding the transfer of technology and to facilitate such transfers on easy terms.

87. Provided that there was proper co-ordination with other bodies, the representatives of developing countries saw no possibility for any duplication with the related activities of other organizations, which did not take an over-all view of the matter, in particular regarding the legal, economic, commercial and financial aspects. In this connexion, the importance of the trade and balance-of-payments aspects of the transfer of technology, which no other United Nations body was studying and which in their view fell squarely within the competence of UNCTAD, was also stressed. The developing countries were of the opinion that the final action to establish the appropriate machinery should be taken soon, but not later than 30 September 1969, and should take into account, inter alia the proposals and recommendations contained in document TD/L.24.

88. The representative of one developing country, recognizing that access to modern technology and its adaptation to the conditions prevailing in developing countries could be effected not only by direct transfer but also through the promotion of

research and development in the developing countries themselves, pointed out that this implied knowledge of the latest techniques in developed countries and considered that UNCTAD was the most suitable body for assuring such a flow of knowledge.

89. After a further exchange of views, which confirmed that neither draft resolution received general support, the Sessional Committee agreed, on the proposal of representatives of both developed and developing countries, to refer the two draft resolutions to the Board for further consideration. It noted that, although on certain aspects agreement had not been reached, particularly the idea that new intergovernmental machinery should be established, the two drafts had several features in common. It expressed the hope that in those circumstances, and in view of the unanimous recognition of the importance of the transfer of technology to developing countries under suitable conditions, a generally acceptable solution could be found.

Action by the Board

90. At its 173rd meeting on 21 September 1968, the Board had before it the texts of two draft resolutions concerning this item. The first had been proposed by eighteen developed market economy countries (TD/B/SC.8/L.1); the second had been proposed by the developing countries members of the Board (TD/B/SC.8/L.3). By a roll-call vote the first of these draft resolutions was rejected by 24 votes to 18, with 6 abstentions. 10/ The second of the two draft resolutions, as orally amended by its sponsors in an attempt to make it more acceptable, was adopted by a roll-call vote of 24 to 17, with 7 abstentions. 11/ Several delegations explained their vote. 12/

(d) Composition of the Intergovernmental Group on Supplementary Financing

91. By paragraph 6 of resolution 30 (II) the Conference at its second session decided to continue the existence of the Intergovernmental Group on Supplementary Financing "suitably expanded". In the annotations to the provisional agenda for the seventh session of the Board (TD/B/171) it was stated that fourteen countries had actually participated in the work of the Intergovernmental Group. In these annotations the Secretary-General of UNCTAD had expressed the belief that, in the interests of efficiency, it would be desirable to keep the Group as small as possible and accordingly suggested that the total membership of the expanded Group should not exceed, say, eighteen members.

92. **The representatives of some** developing countries stressed the need to maintain the small size of the Group as this would be consistent with the view expressed by the developing countries in their proposals for the improvement of the institutional machinery of UNCTAD (TD/B/L.126) that intergovernmental groups should be small in size.

93. In the course of the discussion, the representatives of the developing countries stated that in their agreed view the membership of the Intergovernmental Group should be expanded in such a way as to provide for five members from each of the African, Asian and Latin American regions.

10/ For the text of the draft resolution and particulars of the roll-call vote, see annex V to this part of the present report.

11/ The text of the resolution as adopted and particulars of the roll-call vote are given in annex I to this part of the present report, resolution 48 (VII).

12/ See the summary record of the 173rd meeting (TD/B/SR.173).

94. Representatives of developed market economy countries stated that, in their opinion, an increase in the membership of the Intergovernmental Group beyond twenty might well lead to diminished efficiency, particularly since there was still a considerable amount of technical work to be done in conformity with resolution 30 (II). They added that this view seemed to be consistent with the opinion expressed in the joint proposals made by the developing countries concerning institutional arrangements (TD/B/L.126) that intergovernmental groups should be small in size. In keeping with this spirit, they added that they would not insist on maintaining the ratio of 7 to 6 existing in the present composition of the Intergovernmental Group as between developing and developed market economy countries.

95. However, the representatives of the developing countries were of the opinion that the expansion proposed by them was not large in relation to the total membership of the Conference.

96. After informal consultations, it was agreed that the countries in lists A and C of the annex to General Assembly resolution 1995 (XIX) would provide fifteen members (in lieu of seven hitherto) for the Intergovernmental Group, the countries in list B ten (in lieu of six members hitherto) and the countries in list D would continue to provide one member. As a consequence, the Intergovernmental Group would have twenty-six members.

Action by the Board

97. At its 172nd meeting on 20 September 1968, the Board approved the expansion of the Intergovernmental Group on Supplementary Financing in the manner indicated above. The President announced that the countries in lists A, B and C of the annex to General Assembly resolution 1995 (XIX) had respectively designated the following additional members to serve on the Intergovernmental Group:

List A	Afghanistan Chad Nigeria Pakistan Tunisia
List B	Australia Canada Italy <u>13</u> / Switzerland
List C	Chile Uruguay Venezuela

98. As regards the countries in list D, the present member (Poland) would continue to serve on the Intergovernmental Group.

13/ An understanding was reached among the countries in list B to the effect that Italy would fill one of the additional seats on the Intergovernmental Group as of the present date and that the Board would be notified during 1969 of the withdrawal of Italy from the Intergovernmental Group, and that Spain would then be proposed by these countries to occupy the seat thus vacated by Italy as of a date to be specified.

99. In the absence of any other nominations, the President declared these additional countries elected. Accordingly, the Intergovernmental Group will consist of the under-mentioned twenty-six members:

Afghanistan	Japan
Argentina	Nigeria
Australia	Pakistan
Brazil	Poland
Canada	Sweden
Ceylon	Switzerland
Chad	Tunisia
Chile	United Arab Republic
Federal Republic of Germany	United Kingdom of Great Britain and Northern Ireland
France	United States of America
Ghana	Uruguay
India	Venezuela
Italy	Yugoslavia

(e) Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board

100. A note by the secretariat (TD/B/177) set out the names of seventeen non-governmental organizations designated by the Board at its second session for the purpose of rule 79 of its rules of procedure, and also the names of twelve organizations whose applications for such designation were still pending. ^{14/} The secretariat's note pointed out that the twelve applications had been awaiting a decision for a long time, and that it was most desirable that the Board should reach a decision at its seventh session on the matter.

101. During the discussion there was general agreement that it was necessary for the Board to decide on the applications at the seventh session. The representatives of the developing countries and of the socialist countries of Eastern Europe formulated reservations regarding inter alia the application of the Chamber of Commerce of the United States, which they regarded as a non-governmental organization of a purely national character that could only be placed in a "Register" category, if approved.

^{14/} The twelve organizations are:

- Chamber of Commerce of the United States
- International Law Association
- International Rayon and Synthetic Fibres Committee
- Standing Conference of Chambers of Commerce and Industry
of the European Economic Community
- Union of Industries of the European Community
- European Insurance Committee
- International Christian Union of Business Executives
- Latin American Shipowners' Association
- International Centre for Wholesale Trade
- International Cocoa Trades Federation
- International Federation of Purchasing
- World Veterans Federation

Applications from four more non-governmental organizations are pending before the Bureau.

102. The representative of a socialist country of Eastern Europe furthermore expressed reservations regarding the applications by the Standing Conference of Chambers of Commerce and Industry of the European Economic Community (EEC), the Union of Industries of the European Community, the International Federation of Purchasing and the International Christian Union of Business Executives, which in his opinion did not meet the criteria set out in Board decision 14 (II) to qualify for designation for the purpose of rule 79 of the Board's rules of procedure.

103. The representative of a developed market economy country pointed out, however, that in the market economy countries where there was in addition parliamentary supervision, as was the case in the countries of EEC, it was desirable to associate, to a reasonable extent, regional non-governmental organizations concerned in the problems of development, with a view to enlisting the maximum co-operation of the industrial and business circles which these organizations represented. This was, incidentally, in keeping with the wish expressed in resolution 10 (II), adopted unanimously at the New Delhi Conference, which tended to favour the mobilization of public opinion.

104. The representatives of the developing countries considered that the existing arrangements for the treatment of applications from non-governmental organizations as laid down in Board decision 14 (II) should be revised along the lines indicated in the secretariat's paper submitted to the Board at its fifth session (TD/B/126), i.e. by distinguishing three categories: "General", "Special" and "Register".

105. The representative of one developed market economy country stated that the applications under consideration had been submitted under the existing arrangements governing the participation of non-governmental organizations in the work of the Board and its committees, as laid down in Board decision 14 (II), and should therefore be considered in the light of those arrangements - a view supported by the representatives of other developed market economy countries. If these were to be changed, the amended arrangements would apply to future applications but would not have retroactive effect.

106. The same representative considered that under the existing arrangements the application of the Chamber of Commerce of the United States should be accepted, because, although the United States Chamber of Commerce was, of course, a national organization, its international character and the nature of its world-wide membership (forty-five affiliated American Chambers of Commerce in twenty-eight countries) brought it within the criteria set forth in paragraph 9 of decision 14(II).

107. After considerable discussion of this matter, during which a number of delegations expressed various views on this subject, the Chairman of the Sessional Committee stated that an undefined majority of representatives seemed to be opposed to accepting the application of the Chamber of Commerce of the United States, which had been made under the arrangements in force at the time of its application.

108. As regards the secretariat's proposals for changes in the provisions of Board decision 14 (II), the representatives of developed market economy countries declared themselves willing to accept them on the understanding that their adoption would not entail any financial implications.

109. The representative of a socialist country of Eastern Europe said that he was in favour of the "General" and "Special" categories for international non-governmental organizations but was opposed to the idea of granting full consultative status to national non-governmental organizations with the provision of facilities for their participation in the meetings of organs of UNCTAD.

110. After further discussion, the representatives of developing countries members of the Board submitted the following proposal:

"1. The Group of Thirty-one recommends for adoption the creation of the following categories of non-governmental organizations granted consultative status by UNCTAD, under rule 79 of the Board's rules of procedure:

(a) General Category:

This will consist of those organizations which exercise functions and have a basic interest in most of the activities of the Board, and they would therefore be entitled to the rights provided for in rule 79 at meetings of the Board and under rule 78 of all main committees.

(b) Special Category:

This will consist of organizations which have a special competence in and are concerned with specific matters falling within the terms of reference of one or two committees of the Board or the Board itself and will therefore be entitled to the rights provided for in rule 78 of the rules of procedure of the committees concerned.

(c) Register Category:

All national non-governmental organizations of recognized standing which are deemed to have a significant contribution to make to the work of UNCTAD would be listed in the Register. This may include national chambers of commerce and other such bodies as may request the UNCTAD secretariat to be listed in the Register, after consultation with the Member States concerned.

"2. The Group of Thirty-one suggested that the eleven outstanding applications listed below be approved.

"3. If it is possible for a decision to be taken at this session of the Board, the classification of the various non-governmental organizations could be carried out; otherwise a final decision on this question should be taken at the eighth session of the Board.

- (1) International Law Association
- (2) International Rayon and Synthetic Fibres Committee
- (3) Standing Conference of Chambers of Commerce and Industry
of the European Economic Community
- (4) Union of Industries of the European Community
(Basic information in respect of Nos. 1 through 4 is contained
in document TD/B/L.76)
- (5) European Insurance Committee

- (6) International Christian Union of Business Executives
- (7) Latin American Shipowners' Association
(Basic information in respect of Nos. 5 through 7 is contained in document TD/B/L.90)
- (8) International Centre for Wholesale Trade
- (9) International Cocoa Trades Federation
- (10) International Federation of Purchasing
- (11) World Veterans Federation
(Basic information in respect of Nos. 8 through 11 is contained in document TD/B/L.105)".

111. On being put to the vote in the Sessional Committee, the substance of this proposal was adopted by 25 votes to 3, with 15 abstentions.

Action by the Board

112. At its 172nd meeting on 20 September 1968, the Board (a) approved the applications of the eleven non-governmental organizations referred to in paragraph 110 above for inclusion in the list provided for under rule 79 of the Board's rules of procedure; (b) amended Board decision 14 (II) in the manner set out in annex I to this part of the present report; 15/ (c) authorized the secretariat to carry out the necessary preparatory work for the classification of the twenty-eight non-governmental organizations and to report to the Board at its eighth session for decision; and (d) pending the Board's action on classifications, agreed that the original arrangements for the participation of non-governmental organizations would apply, as a transitional measure, for the twenty-eight organizations designated under rule 79 of the rules of procedure.

15/ See decision 43 (VII).

Chapter III

UNCTAD AND THE SECOND UNITED NATIONS DEVELOPMENT DECADE

(Agenda item 4)

113. At the 167th plenary meeting on 12 September 1968, the Secretary-General of UNCTAD made a statement introducing his report (TD/B/186/Rev.1) on The role of UNCTAD in the second United Nations Development Decade. 16/

114. In the debate that followed, representatives commended the Secretary-General of UNCTAD on his report although several of them had reservations about certain points. It was generally agreed, however, that the report made an important contribution to preparations for the second Development Decade and that it should be transmitted, together with comments made on this report at the seventh session of the Board, to the Economic and Social Council.

115. It was suggested by the developing countries that the report should be transmitted, together with the comments made thereon at the seventh session of the Board, to the Secretary-General of the United Nations, so as to make it available to the General Assembly and also to Governments of Member States for their comments. This suggestion was supported by several representatives of socialist and developed market economy countries.

116. The representatives of all countries participating in the debate recognized the importance of the second Development Decade and considered that the elaboration of a strategy to fulfil its objectives concerned all countries members of UNCTAD and all interested organizations in the United Nations family. It was also generally agreed that UNCTAD, within its fields of competence, would have a fundamental role to play in the preparations for the second Development Decade as well as in the achievement of the objectives of the Decade.

117. As to the action to be taken by the Board at the present juncture, representatives of developing countries requested the Secretary-General of UNCTAD: (a) to transmit his report to the Secretary-General of the United Nations so as to make it available to the General Assembly; (b) to continue preparatory work for the second Development Decade and, in particular, to formulate suggestions and proposals on the goals and objectives in the field of trade and development and to outline a programme of practical steps to realize them, and submit a report thereon for consideration by the Board at its eighth session; (c) to convene an intergovernmental group to assist him in this task and make suggestions concerning further preparatory work to be done by the continuing machinery of UNCTAD; and (d) to give the highest priority to preparatory work for the second Decade to enable the continuing machinery to join in the efforts to ensure its inauguration by January 1970. A draft resolution (TD/B/L.129) to this effect was introduced by the representative of Chile on behalf of the developing countries members of the Board. In introducing the draft resolution, he stated that in the view of developing countries problems of trade were inextricably linked with those of development, and UNCTAD had special responsibilities concerning the abolition of obstacles to development in the fields of trade, technology, financing and transport.

16/ The full text of the statement was circulated in document TD/B/189 and is reproduced in annex III to this part of the present report.

118. The representatives of many developing countries expressed the view that it was for UNCTAD, as the United Nations body having a co-ordinating function in matters of trade and development, to play a central role in the planning of a strategy for the second Development Decade and, acting in close co-operation with other organizations of the United Nations family, also to play a major part in its execution by the realization of those aspects of the strategy which were within its competence. They stated that the objectives for the Development Decade would have no meaning unless they were backed by concrete measures to be taken by member States. In this connexion, they also pointed out that the strategy should incorporate the practical measures on which agreement had been reached as well as those on which agreement was likely in the near future. They also stressed that it was for UNCTAD to initiate and take action on the strategy and to make recommendations to the Economic and Social Council, not the reverse. Several representatives stated that the trade and aid principles of UNCTAD should be incorporated into the guidelines for the second Development Decade; others maintained that the measures proposed in the report by the Secretary-General of UNCTAD should be included in the preliminary outline being drawn up by the Economic and Social Council. Many representatives of developing countries stated that the main role of UNCTAD in the second Development Decade should be that of formulating measures to close the trade and savings gaps of developing countries. UNCTAD's responsibility, they added, went further, however, and included the setting of objectives for the Decade and establishing an international long-term development policy and the responsibilities of industrial and developing countries in implementing it.

119. The representatives of several developing countries suggested that the global strategy should include improvements in the terms of trade of developing countries and specific action on the scheme of general preferences. The representative of one developing country stated that developed countries not belonging to trade groupings should cut their tariffs across the board by a fixed percentage at the outset of the second Development Decade. It was his view that the experience to be gained would help UNCTAD to formulate policies for the least developed among developing countries and to work out concepts of equivalent advantage to the countries already enjoying some concessions; that the 1 per cent target for the transfer of financial resources to the developing countries should be reached in stages by 1973; that if this target were reached the gross national product of developing countries would increase at the rate of 6.9 per cent towards the end of the 1970's; that aid should be less tied to specific projects; and that, if additional international liquidity was created, it should be directly linked to the provision of finance for development in developing countries.

120. The representatives of a large number of developed market economy countries considered - in the light of the decisions taken by the Economic and Social Council at its forty-fifth session, in particular regarding the preparatory work to be done by the Economic Committee - that discussion in depth of the matter at the present stage by the Board was premature. They did not, therefore, see any need for the immediate establishment of an intergovernmental group and stated that the main co-ordinating role in connexion with the second Development Decade had already been entrusted to the Economic Committee of the Economic and Social Council. There was a danger, in their view, that the creation of an intergovernmental group to consider the same subject within UNCTAD would lead to a proliferation of such groups in other United Nations bodies; and they pointed out that fifteen of the countries members of the Trade and Development Board were represented on the Economic Committee. The representatives of some developed market economy countries considered that it might be useful to establish a working party on the subject open to all States members of UNCTAD.

121. The representative of one developed market economy country stated that the choice of hypotheses and the definition of objectives were considerably beyond the field of competence of UNCTAD; this was a responsibility shared by all the organizations in the United Nations family. Furthermore, a global strategy needed some central direction and it was by no means clear who would perform this centralizing task. Another representative stated that the objectives of the second Decade would be realized only as a result of action by Governments; international organizations could do no more than provide a stimulus and play an auxiliary role. He suggested that the development objective should be expressed in targets that varied between two reference points according to present growth rates. For example, in the case of a developing country that had not yet achieved a per capita rate of 2 per cent, this would be the immediate objective; for those countries that had achieved a rate between 2 per cent and 6 per cent, the objective would be to accelerate by a further 0.5 percentage point; and those countries having achieved a 6 per cent rate would be advised to shape their policies according to their particular conditions. Any country would be free to alter its objective during the course of the Decade and the maximum international efforts would be made for those countries with the lowest growth rate.

122. The representatives of some socialist countries of Eastern Europe stressed that the United Nations programme for the second Development Decade should be based on national plans of developing countries, which would provide for social and economic reforms, full mobilization of internal resources and the strengthening of the State sector, and would be directed towards the creation of an independent national economy. The fulfilment of such plans should be supported by international measures leading to the establishment of a fair system of international division of labour and of international economic relations. They also stressed that the development strategy should be based on strict observance of the principles of sovereignty. UNCTAD should elaborate, as its own contribution, a programme for the normalization and expansion of international trade in the 1970's with a view to accelerating economic development. This programme should be aimed at the realization of principles governing international trade relations and trade policies conducive to development and of other positive decisions of UNCTAD. It should also ensure a transformation of international trade into an effective instrument of economic development.

123. The representatives of the socialist countries of Eastern Europe repeated their position on the question of setting up fixed targets for transfer of financial resources to developing countries. One socialist country gave indications of its possible imports from developing countries for the period 1966-1985.

124. After informal consultations with other groups, which did not result in a generally acceptable solution, a revised draft resolution was submitted by the developing countries (TD/B/L.129/Rev.1) at the 173rd meeting on 21 September 1968. Following an exchange of views, the debate was closed in accordance with the procedure provided for in rule 42 of the rules of procedure. Two amendments having been proposed (to the third preambular paragraph and to operative paragraph 4) 17/ and having been rejected, and several paragraphs (viz. operative

17/ See the summary record of the 173rd meeting (TD/B/SR.173).

paragraphs 4, 5 and 6) having been put to the vote separately, one of them (paragraph 5) being adopted by a roll-call vote of 33 to 7, with 7 abstentions, the revised draft resolution as a whole was adopted by a roll-call vote of 33 to none, with 15 abstentions 18/. After the completion of the vote a number of delegations made statements in explanation of their votes 19/.

13/ For the text of the resolution as adopted and particulars of the roll-call votes, see annex I to this part of the present report, resolution 47 (VII).

19/ For an account of these explanations, see the summary record of the 173rd meeting (TD/B/SR.173).

Chapter IV

REPORTS ON NEGOTIATIONS OR CONSULTATIONS ON INDIVIDUAL COMMODITIES

(Agenda item 6)

125. The Board considered this item at its 170th plenary meeting on 18 September 1968. The Secretary-General of UNCTAD made a statement on the consultations on sugar and cocoa and the progress made so far in the negotiations with a view to the conclusion of international agreements on these commodities 20/. A report prepared by the secretariat of UNCTAD concerning the negotiations and consultations on cocoa, sugar, wheat, tin, olive oil, coffee and rubber was circulated subsequently (TD/B/192).

126. The Secretary-General of UNCTAD in his statement expressed appreciation for the co-operation and assistance extended to UNCTAD by FAO and the international commodity councils in the conduct of commodity consultations. With regard to sugar, he expressed the view that although there were several problems still to be resolved, the conditions for successfully negotiating an agreement to raise free market prices to a remunerative level were less unfavourable now than when the 1968 Sugar Conference had begun in April. The outstanding issues on which there had been no agreement at that Conference included the total tonnage to be absorbed by the free market and the allocation of this tonnage among the different exporting countries. The basic problem in the case of sugar could only be solved if all exporting countries made the necessary adjustments to their export plans. Since the suspension of the Sugar Conference in May he had held a series of consultations, particularly with the principal exporting countries. At the request of that Conference he had made recommendations which, it was hoped, would provide an acceptable basis for the solution of the problems relating to basic export tonnages, in the sense that reductions in the volume of exports from individual countries might be offset by the higher prices received. To deal with certain cases he had proposed a "Developing Countries' Hardship Fund". He reported on his efforts to secure the co-operation of some of the other countries which would be called upon to play a major part in stabilizing the world sugar market. Other problems requiring a solution were the question of prices and the assurance of supplies by exporting countries. He said that the risk of not holding the Sugar Conference now was greater than the risk of holding the Conference, since postponement would have undermined the impetus towards reaching a new agreement and aggravated the underlying serious imbalance of the sugar market.

20/ The full text of the statement was circulated as document TD/B/193.

127. With regard to cocoa, he said that the very wide fluctuations in prices over the last three years, ranging from well below the minimum to well above the maximum of the price range proposed in the draft agreement, made it abundantly clear that the free play of market forces was not satisfactory from the point of view of either producing or consuming countries and that both groups of countries would gain by the stabilization of the market through a cocoa agreement. Every effort should therefore be made to conclude an agreement at an early date, for he considered that the current market situation was favourable for renewed negotiations and that there were no fundamental differences outstanding as regards the economic and financial provisions of an agreement. It was fortunate that, despite the high cocoa prices currently prevailing, the interest of producing countries in a cocoa agreement had not diminished, and that consuming countries were also more disposed to conclude an agreement. Moreover, at the present time, the market conditions were suitable for the accumulation of funds from the levy for the financing of the buffer stock, though the longer-term general problem of financing buffer stocks would remain. It was to be hoped that constructive suggestions on the role of international financial institutions in such financing would emerge from the studies currently being undertaken by IBRD/IMF. There were still certain issues to be resolved, including the reservation made by one exporting country on provisions relating to the defence of the minimum price and the elaboration of effective export controls, but it was to be hoped that the conclusion of an agreement would not be held up over these issues since some of them could be dealt with effectively by the Cocoa Council, when constituted.

128. All the representatives who took part in the discussion expressed their appreciation of the efforts of the Secretary-General of UNCTAD in conducting consultations on sugar and cocoa with a view to concluding international stabilization agreements with respect to these commodities. They expressed the hope that agreements on sugar and cocoa would be successfully negotiated at an early date. Some representatives of developing countries stated that in evolving these commodity agreements, care should be taken to ensure that they did not negate the aspirations of the developing countries to increase their mutual trade.

129. The representatives of major cocoa-producing countries who took part in the discussion urged that the Cocoa Conference be reconvened as soon as possible, and in any case before the end of 1968. They endorsed the view of the Secretary-General of UNCTAD that conditions were favourable for the conclusion of an agreement; in particular, they thought that, under present conditions, funds for the buffer stock could be accumulated without hardship to producers, while the fact that the maximum price proposed in the draft agreement was below current market prices was likely to make the price provisions more acceptable to consuming countries than before. Producing countries attached great importance to the conclusion of an agreement because even at the floor price some stability was assured in the foreign exchange earnings of those countries whose main export was cocoa. They expressed the belief that no agreement could be ideal and they hoped that improvement would be made in the proposed cocoa agreement in the light of the experience to be gained from its operation. Referring to the cocoa consultations, the representative of a developing country said that they showed the importance of giving the Secretary-General of UNCTAD adequate authority to convene intergovernmental groups.

130. The representative of a developed market economy country stated that his Government would be ready to withdraw its reservation regarding certain provisions of the draft agreement in a spirit of international co-operation, provided that the provisions which were subject to reservation proved acceptable to the exporting countries. He further pointed out that his Government still had some misgivings about the adequacy of these provisions to defend the minimum price.

131. The representative of a developing country expressed concern that little progress had been made towards the solution of the problems relating to natural rubber, and asked the secretariat for information on consultations on the problems of rubber. The secretariat stated that in pursuance of a resolution adopted by the Board at its third special session 21/, the Secretary-General of UNCTAD had convened an Exploratory Meeting on Rubber in Geneva in December 1967. The Meeting had set out a number of measures in the field of marketing, production and supply and concerning international financial and technical assistance considered helpful to relieve the problems facing the producers of natural rubber, and these had subsequently been presented to the second Conference at New Delhi 22/. The International Rubber Study Group had also arranged meetings between producers of natural and synthetic rubber to examine problems common to both. Furthermore, a major item on the agenda of the meeting of the Permanent Group on Synthetics and Substitutes scheduled for late October 1968 would be the consideration of the problems of rubber for which the secretariat was preparing studies.

132. At its 173rd meeting on 21 September 1968, the Board took note with appreciation of the report by the UNCTAD secretariat (TD/B/192) and of the statement by the Secretary-General of UNCTAD (TD/B/193).

21/ Resolution 40 (S-III) of 16 November 1967. For the text of that resolution, see part three of the present report.

22/ For the report of the Exploratory Meeting on Rubber, see document TD/39.

Chapter V

PROGRESS REPORT ON THE STUDY ON TERMS OF SHIPMENT ^{23/}

(Agenda item 7)

133. By resolution 4 (II) adopted by the Conference at its second session on 22 March 1968, the UNCTAD secretariat was requested to "undertake ... a study to assess the impact on the trade and shipping of developing countries of the c.i.f.-f.o.b. and related terms used in contracts". In conformity with the resolution, the secretariat's progress report on this study was submitted to the Trade and Development Board (TD/B/172).

134. Representatives of countries of all groups commended the progress report on this subject.

135. Representatives of developing countries stressed the advantage to their economies of importing goods on an f.o.b. basis and exporting on a c.i.f. basis. Representatives of some developing countries considered that the final version of the report should be as comprehensive as possible, and should not be simply descriptive of the existing situation but should include specific conclusions in the light of which definite action could be taken. They considered that certain matters raised in the progress report were of particular importance. These included the effect of the terms of shipment on the choice of ship and hence on the development of national merchant marines (para. 5); the effects of the choice of ship on the cost of the service, especially in so far as this was likely to be borne by developing countries, and hence reflected in their balances of payments (para. 14); and the effect of the terms of shipment on the efficiency of consultation machinery (paras. 18 and 19). In connexion with this last point, the representative of one developing country stressed that developing countries needed guidance regarding the forms of consultation machinery and terms of shipment which together would be most appropriate to the needs of these countries.

136. The representatives of some developing countries questioned the criteria adopted by the secretariat in the choice of the countries studied and urged that the list should not be regarded as final. The representative of one developing country expressed satisfaction with the selection of the four countries (Ceylon, Ivory Coast, Pakistan and Peru), including his own, for examination and study in this connexion and was of the opinion, on the basis of the progress report and of the experience of the UNCTAD expert in his country, that the study undertaken by the secretariat was on the right lines.

137. The representative of an oil-producing developing country stated that the oil agreements between the oil-producing countries and the international oil companies included provisions whereby the oil companies were required to utilize national

^{23/} This item was referred to the Sessional Committee for consideration and report.

tanker fleets. He added that the national oil companies of these countries were endeavouring to enter the field of marine transportation of oil, which gave the question under review a particular significance. The representative of another developing country said that his country was having difficulty in ensuring the use of national shipping for carrying ores owing to the terms of shipment commonly in use in the ore trades. He added the request that the secretariat should include in its study of the terms of shipment the effects of other terms included in charter-parties such as lay time (the time allowed for loading and/or discharging) and demurrage/dispatch rates (that is, the sum of money per period of time to be paid by the charterer/shipowner for delays/quicker dispatch of the vessel).

138. The representatives of some developed market economy countries considered that many of the problems that might arise in connexion with the terms of shipment could be dealt with through the consultation machinery, to which they attached considerable importance. Certain developed market economy countries drew attention to the need to assess the implications of the terms of shipment for the export potential of developing countries; to the fact that the choice of ship did not always lie with the buyer or seller of goods but sometimes with intermediaries such as forwarding agents; to the uniformity of interest of all shippers in securing the lowest possible freight rates; to the action of government agencies that prescribe the terms on which goods may be sold; and to the need to consult all intergovernmental and international bodies with relevant experience. The representative of one developed market economy country considered that the progress report appeared rather abstract, while some delegations thought that certain sections of the report (e.g. para. 14) tended to prejudge certain issues. Another representative stressed that, since the subject was very complex and debatable, the study itself was hardly likely to indicate clear and precise guidelines.

139. The representative of a socialist country of Eastern Europe noted the value of the progress report, taking into account the limitations of time and resources within which it had had to be prepared, and agreed with the representative of a developing country that careful attention should be paid to the possible effects of the terms of shipment on the balances of payments of the countries that bore the freight.

140. One representative suggested that perhaps the secretariat might consider recruiting, from among the business circles of maritime forwarding agents, a retired technical expert familiar with these questions who might, in view of his practical experience, be qualified to assist the secretariat with advice or even to undertake a concrete study of a particular subject.

141. In response to a suggestion by the representative of one developing country, the secretariat stated that the special problems of the least developed countries would be taken into account in the study, in conformity with the relevant recommendations of the second Conference.

Action by the Board

142. At its 172nd meeting on 20 September 1968, the Board took note with appreciation of the secretariat's progress report on the study of terms of shipment (TD/B/172) and requested the secretariat to take account of the various comments made in the debate when preparing the final version of that study for submission to the Committee on Shipping at its third session.

Chapter VI

UNCTAD/GATT INTERNATIONAL TRADE CENTRE ^{24/}

(Agenda item 8)

143. The principal document relating to this item was a report by the UNCTAD secretariat (TD/B/178), submitted in pursuance of General Assembly resolution 2297 (XXII) of 12 December 1967. This report, in turn, referred to the report on the first meeting of the joint UNCTAD/GATT Advisory Group on the International Trade Centre (ITC/AG/2) and to the budget estimates for the Centre for the year 1969 (ITC/AG/3). In the course of the debate reference was made also to specific suggestions made by individual representatives during the Advisory Group's first meeting (ITC/AG/4).

144. The debate on this item was introduced by the representative of the Secretary-General of UNCTAD, who described the manner in which the secretariats of UNCTAD and GATT had co-operated from the administrative and budgetary points of view since the inception of the joint venture on 1 January 1968, in pursuance of General Assembly resolution 2297 (XXII).

145. In general, the representatives who participated in the debate on the item welcomed the establishment of the International Trade Centre as the first example of co-operation between UNCTAD and GATT from which the export efforts of the developing countries would greatly benefit. General support was expressed for the programme of activities of the Centre proposed for 1969 in the Advisory Group's report (ITC/AG/2), without prejudice to the consideration of its financial implications and to the approval of the expenditure by the appropriate bodies concerned with budgetary matters in the United Nations and in GATT. The representatives of some developing countries stated that the recommendations made in the Advisory Group's report and the budget proposals represented a compromise, embodying for the present a minimum programme. They attached considerable importance to the desirability of extending the Centre's activities to cover the promotion of trade among the developing countries. It was suggested that the International Trade Centre should co-operate closely with the regional trade promotion centres now being set up in Asia and Latin America.

146. It was generally recognized that it would be very difficult to establish an order of priorities as between the various activities to be undertaken by the Centre in 1969, for the entire programme recommended by the Advisory Group constituted an organic whole. However, it was stated that the Advisory Group might have to revert to the question of priorities in due course. Several representatives considered that special attention should be given to the provision of advisory services in the

^{24/} This item was referred to the Sessional Committee for consideration and report.

field of trade promotion and the training of persons from the developing countries in the diverse techniques of export promotion. In connexion with the question of training, reference was made to resolution 1 (II) adopted at the New Delhi Conference.

147. One representative considered that the value of the co-operation of UNCTAD and GATT in the International Trade Centre and the feasibility of similar arrangements in other fields of joint concern would have to be judged in the light of the practical results achieved by the Centre and of the extent to which it was furthering the aims and purposes of UNCTAD. We added that every effort should be made to respect the principle of geographical distribution in the staffing of the Centre.

148. Another representative stressed the central role which the Centre was called upon to play in the framework of the United Nations export promotion programme. He added that the developing countries might consider the advisability of using the services of the resident representative of UNDP for the purpose of obtaining assistance from the Centre's trade promotion advisory service.

149. Several representatives stressed that the principal object of the establishment of the Centre had been the pooling of the resources of the two international bodies concerned and expressed the hope that these resources would be used efficiently and economically and that duplication of efforts would be avoided to the fullest extent possible. It was stressed that the expansion of the Centre's activities should be balanced and orderly. It was also pointed out by one delegation that the joint UNCTAD/GATT Advisory Group was the appropriate body to examine the programme of the International Trade Centre. In this connexion satisfaction was expressed with the continuity in the direction of the affairs of the Centre.

150. Some representatives pointed to the need for drawing wider attention to the results of the Centre's activities and considered that an assessment should be made of these results.

151. Some representatives drew attention to the necessity of increasing the role of UNCTAD in the International Trade Centre.

152. Among the more specific points mentioned in the discussion was the question of information relating to markets for the products exported by the developing countries. The hope was expressed that among the material to be published by the Centre would be particulars of tariff and non-tariff barriers affecting access to markets, and of the sources from which this information was taken. Many delegations welcomed the proposal by the Centre to establish a service to deal with the promotion of exports of particular products (e.g. forest products) carry out surveys of markets for agricultural and manufactured products, and continue to organize seminars to consider specific aspects of trade promotion. Several representatives stressed that essentially the function of the Centre was to enable the developing countries to establish their own facilities for training personnel in the techniques of export promotion and stimulating exports of their products. The representatives of several developed countries described training courses provided or to be provided by their Governments in collaboration with the International Trade Centre for persons from the developing countries; such courses would be adapted to the particular needs of the developing countries concerned. A number of representatives expressed the hope that

voluntary contributions would continue to be made to the resources of the Centre by Governments in a position to do so, for such contributions betokened a sense of direct involvement in a genuinely international co-operative venture. The developing countries expressed appreciation for the contributions made by the developed countries to the resources of the Centre.

153. In reply to a number of questions asked by various representatives, the representative of the Secretary-General of UNCTAD explained that the 1969 budget estimates for the Centre provided for an increase in expenditure on staff commensurate with the increase in the volume of requests for assistance. The proposed share of UNCTAD in the Centre's regular budget was to be almost \$380,000 (as compared with \$90,000 in 1968) out of the estimated total of \$1.2 million. It was expected that by 1970 UNCTAD's share would rise to parity with the GATT contribution. He added that concerted directives for the management of the Centre's affairs had been worked out in consultations between the Secretary-General of UNCTAD and the Director-General of GATT or their representatives appointed for this purpose.

Action by the Board.

154. At its 172nd meeting on 20 September 1968, the Board agreed to express its support, subject to due consideration of the financial implications and to the concurrence of the budgetary bodies concerned, for the programme of activities for 1969 outlined in the report of the Advisory Group (ITC/AG/2).

Chapter VII

PROGRESSIVE DEVELOPMENT OF THE LAW OF INTERNATIONAL TRADE: FIRST ANNUAL REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW^{25/}

(Agenda item 9)

155. In connexion with this item, the representative of the Legal Counsel of the United Nations introduced the first annual report of the United Nations Commission on International Trade Law (UNCITRAL) (A/7216) ^{26/} established by General Assembly resolution 2205 (XXI) of 17 December 1966. Under section II, paragraph 10, of that resolution, UNCITRAL is to "submit an annual report, including its recommendations, to the General Assembly, and the report shall be submitted simultaneously to the United Nations Conference on Trade and Development for comments". In introducing UNCITRAL's first report, the representative of the Legal Counsel described the origins, composition and terms of reference of UNCITRAL, gave particulars of the topics selected for treatment by UNCITRAL, of the order of priorities accorded to certain topics, and of the methods which UNCITRAL proposed to follow in its work. He stressed that the harmonization and unification of the law of international trade were conceived by UNCITRAL not as an academic exercise but as a contribution to facilitating the flow of international trade, a conception which explained the existence of a special relationship between UNCITRAL and UNCTAD. He explained that the first session of UNCITRAL had been devoted mainly to organizational matters and to the establishment of its programme of work. At its second session (scheduled to be held at Geneva in March 1969) UNCITRAL would begin consideration of the substance of the topics to which it had decided to give priority, and at that session, too, it would consider the advisability of appointing sub-committees or working groups to deal with specific matters in the interval between its own sessions.

156. In general, and subject to their comments on specific points, many representatives welcomed UNCITRAL's decisions concerning its programme of work (A/7216, chapter IV, para. 40), methods of work (para. 45), the establishment of a register of organizations and texts (chapter V) and the proposals concerning training and assistance in the field of international trade law (chapter VI).

157. A number of representatives stressed the value of close co-operation between UNCITRAL and UNCTAD. Representatives of some developing countries stated that the purpose of UNCITRAL should be not merely to recommend the removal of legal obstacles to the flow of international trade but to place at the disposal of the international community the juridical means of stimulating trade, particularly that of the developing countries. They considered that UNCITRAL should engage in the dynamic task of elaborating a new lex mercatoria in the formulation of which the

^{25/} This item was referred to the Sessional Committee for consideration and report.

^{26/} Official Records of the General Assembly, Twenty-third session, Supplement No. 16. See also the relevant note by the UNCTAD secretariat (TD/B/179).

developing countries should have a full say, as these countries had played little part in the past in the formulation of trade law. UNCITRAL should examine to what extent the existing rules applied in international trade were consistent with the principles already recommended in UNCTAD. In the consideration of the topics selected for study UNCITRAL should be guided by the criterion: In what way could its work contribute to the expansion of international trade and to the bridging of the gap between developing and developed countries? They stressed that UNCITRAL should take account of the realities of international trade and of its long-term prospects.

158. One of these representatives suggested that, in addition to co-operation at the secretariat level, co-operation between UNCITRAL and UNCTAD might take several forms. For example, he said, joint meetings of UNCTAD bodies with UNCITRAL might be organized to consider matters within the competence of the Committee on Invisibles and Financing related to Trade; and UNCTAD might perhaps suggest that some particular topic be placed on the agenda of UNCITRAL.

159. Another of these representatives welcomed the decision taken by UNCITRAL to proceed by consensus, for, he said, it would not be conducive to the formulation of a unified law if some provision or instrument were approved by a small majority.

160. The representative of one developing country stated that at the first session of UNCITRAL his country had proposed the inclusion, in UNCITRAL's programme of work, of the study of international legislation on shipping. In his opinion, the Board should instruct the Committee on Shipping to establish a working group on international legislation on shipping and thereafter the Committee might ask UNCITRAL to take up the drafting of new conventions on the subjects identified by the Working Group.

161. The representative of a developed market economy country stressed that any reference to the role of UNCITRAL in the field of shipping should not be discussed in connexion with agenda item 9, since there was a separate item on the agenda dealing with international legislation on shipping. 27/

162. The representative of a socialist country of Eastern Europe stressed that the objective of co-operation between UNCTAD and UNCITRAL should be to eliminate discrimination in international trade and to give greater effect to the principles contained in the Final Act of the 1964 Conference, in particular General Principle Six. 28/ He pointed out that this subject should be given priority in the deliberations of UNCITRAL. He suggested that UNCITRAL might elaborate a draft convention for the elimination of discrimination and concerning the most-favoured-nation clause. He considered that the terms of reference of UNCITRAL should not be restrictive in the sense that UNCITRAL would be concerned only with the body of rules governing commercial relationships of a private law nature (A/7216, para. 23); in his opinion, matters within the domain of public law should be taken into consideration by UNCITRAL.

27/ See chapter II, paras. 62-75 above.

28/ 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), p. 10.

163. The representative of a developed market economy country, on the other hand, expressed the view that UNCITRAL should confine its attention to specific areas of international private law affecting trade, and not extend its activities into the sphere of public trade law or trade policy. In his opinion, UNCITRAL was primarily a technical body of legal experts whose task it was, where possible, to codify or consolidate in quasi-legislative form existing trade practices in appropriate fields of private international trade law and not to engage in substantive issues of policy. The representative of another developed market economy country suggested that reports of UNCITRAL might be distributed to interested UNCTAD bodies for comment. In particular, he considered that these reports should be transmitted to the Committee on Shipping as an annex to the secretariat's report on recent developments and long-term trends in the field of shipping.

164. The representative of one developing country suggested that UNCITRAL should put "transportation" on its priority list and to this end establish a working party to deal with the subject.

Action by the Board

165. At its 172nd meeting on 20 September 1968, the Board took note with appreciation of the first annual report of UNCITRAL (A/7216). It commended UNCITRAL on its programme of work and stressed that the needs of developing countries should receive adequate attention. It stressed the importance of co-operation between UNCTAD and UNCITRAL at the intergovernmental and secretariat levels.

Chapter VIII

CO-ORDINATION OF THE ACTIVITIES OF UNCTAD WITH THOSE OF OTHER BODIES IN THE FIELD OF TRADE AND DEVELOPMENT 29/

(Agenda item 10)

166. In conformity with operative paragraph 7 of the Board's resolution 19 (II) of 15 September 1965, the UNCTAD secretariat submitted its regular report on the subject of co-ordination (TD/B/180 and Corr.1 and 2 and Add.1).

167. In the debate it was stressed that, while under present conditions some overlap of functions still existed between UNCTAD and other bodies in the field of trade and development, duplication of work should be avoided to the fullest extent possible. Co-ordination efforts so far undertaken in this field of activity, particularly within the United Nations family of organizations, were welcomed. One representative urged that Member States should make a positive contribution to facilitate the task of co-ordination by refraining from proposing resolutions or action that might lead to duplication. It was also suggested that, where other organizations were competent in a special field, UNCTAD should request such organizations to examine with priority a particular problem and to report to UNCTAD on the results of their studies.

168. In this respect it was stressed that there was need for action to avoid unnecessary duplication, not only through such organs as the inter-agency Administrative Committee on Co-ordination but at various levels, including co-ordination at the working inter-secretariat level. Where overlapping could not be avoided, the feasibility of joint activities such as those undertaken by the UNCTAD/GATT International Trade Centre should be explored. In this connexion, many representatives hoped that further discussions would take place between the Secretary-General of UNCTAD and the Director-General of GATT with a view to avoiding duplication of effort. Moreover, several delegations stated that there should be close consultation between the secretariats of UNCTAD and GATT to determine in which fields of activities they might concentrate their common efforts.

169. One representative pointed out that the co-ordination of the activities of UNCTAD and GATT should not diminish the role of UNCTAD as the most representative and competent organization in the field of international trade and development. He stressed further that the practice of the servicing of meetings within the framework of GATT by the UNCTAD secretariat could not be approved.

170. The view was expressed by some representatives that UNCTAD's role in the field of commodities should be safeguarded and that other intergovernmental

29/ This item was referred to the Sessional Committee for consideration and report.

/...

organizations dealing with commodity problems should always take account of the deliberations and recommendations of UNCTAD.

171. Regarding UNCTAD's relations with UNIDO, it was felt that co-operative activities between the two bodies should be expanded, particularly in the form of joint arrangements for export training courses and seminars on questions of export promotion (TD/B/180 and Corr.2, para. 19).

172. The existing co-operation of UNCTAD with organizations in the United Nations family, particularly with the regional economic commissions, was noted, and several delegations expressed the hope that that co-operation would be increased in the future, especially in the field of economic co-operation among developing countries, and that the role of the regional commissions would be strengthened.

173. Reference was made to the inquiry to be conducted under the auspices of IBRD into the efficacy of development aid accorded to the developing countries, and the hope was expressed by several delegations that UNCTAD would be fully associated with this inquiry. Several representatives expressed the view that UNCTAD should make a positive contribution to the study of tourism being prepared for the forty-seventh session of the Economic and Social Council under its resolution 1363 (XLV). One delegation observed that at the forty-fifth session of the Economic and Social Council a number of resolutions had been adopted which were of interest to UNCTAD, including those on transfer of technology and on shipping.

174. One delegation stated that UNCTAD should not merely avoid duplication of efforts but should also co-ordinate the efforts of other international organizations in the field of trade and development; it had also the more comprehensive task of working towards the expansion of international trade, including East-West trade in collaboration, where appropriate, with the regional economic commission concerned.

175. The view was expressed by several delegations that UNCTAD should become a participating agency of UNDP.

176. In reply to a question raised by one delegation regarding paragraph 2 of document TD/B/180 (in which it was stated that the secretariats of the regional economic commissions had on several occasions requested the UNCTAD secretariat to indicate to them the names of suitable experts for various tasks to be undertaken in the region, particularly in the field of trade expansion and integration), the secretariat stated that although it had succeeded in providing the names of experts in the past, it was very difficult to obtain the services of government officials with practical experience. Governments were requested to render all possible help in releasing officials with such practical experience for field service.

177. In reply to another question, the secretariat gave a brief account of co-operation between the UNCTAD secretariat and the United Nations Economic and Social Office in Beirut and stated that future reports by the secretariat would give information on such co-operation.

178. With regard to the role of UNCTAD in trade negotiations among developing countries, it was agreed that the question would be considered under item 5 (a).^{30/}

^{30/} See chapter II above.

Action by the Board

179. At its 172nd meeting on 20 September 1968, the Board took note with appreciation of the secretariat's factual and descriptive report (TD/B/180 and Corr.1 and 2 and Add.1) relating to the co-ordination of the activities of UNCTAD with those of other bodies in the field of trade and development.

Chapter IX

UNITED NATIONS CAPITAL DEVELOPMENT FUND

(Agenda item 15)

180. At the Board's 159th meeting on 3 September 1968, the representative of the Philippines, on behalf of the developing countries members of the Board, proposed the inclusion of this item in the agenda for the seventh session, and at the same meeting the Board agreed to its inclusion, subject to the reservations expressed by some representatives.

181. In making this proposal, the representative of the Philippines referred to resolution 1350 (XLV) adopted by the Economic and Social Council on 2 August 1968, during its forty-fifth session, and to the series of earlier proposals and actions which had led to the adoption of that resolution. He explained that the developing countries' object in proposing the inclusion of the item in the agenda was to draw attention to their need for access to capital for development and reiterate the hope that a source for such capital would be created in the United Nations family of organizations.

182. At the Board's 169th meeting on 17 September 1968, the representative of India introduced a draft resolution sponsored by Afghanistan, Algeria, Brazil, Chad, Chile, Colombia, Costa Rica, Ghana, Guatemala, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Madagascar, Malaysia, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Senegal, Syria, Tunisia, Uganda, Venezuela and Yugoslavia (TD/B/L.130): he stressed that the intention of the draft resolution was to secure the endorsement by the Board of the appeal made in Economic and Social Council resolution 1350 (XLV) for broad participation in the Pledging Conference of the United Nations Capital Development Fund on 9 October 1968.

183. The Board adopted the draft resolution at its 169th meeting on 17 September 1968, 31/ subject to the reservations formulated in the course of debate. 32/ During the discussion, the following countries indicated that they would abstain in the vote on the resolution and requested that the reasons for their abstentions should be noted in the summary record: Austria, Bulgaria, the Nordic countries, Switzerland, Union of Soviet Socialist Republics. The following countries explained why they could not participate in the vote, and most of them requested that their reasons for non-participation should be noted in the summary record: Australia, Belgium, Canada, Federal Republic of Germany, France, Italy, Japan, Netherlands, New Zealand, United Kingdom, United States of America.

31/ The text of the resolution as adopted is contained in annex I to this part of the present report, resolution 42 (VII)

32/ See summary record of the 169th meeting (TD/B/SR.169)

Chapter X

ORGANIZATIONAL MATTERS

1. Opening of the session

184. In the absence of Mr. Jaroslav Kohout (Czechoslovakia), President for 1968, whose arrival in Geneva was delayed until 10 September, the seventh session of the Trade and Development Board was opened on 2 September 1968 at the Palais des Nations by Mr. Adoum Aganaye (Chad), Vice-President, who had been appointed by Mr. Kohout to take his place under rule 21 of the rules of procedure. 33/

2. Officers

185. Two of the Vice-Presidents who had been elected at the sixth session 34/ having indicated that they would not be able to attend the seventh session, the Board at its 158th and 159th plenary meetings on 2 and 3 September 1968, upon nomination by the delegations concerned, 35/ unanimously elected the following Vice-Presidents to replace them: 36/

Mr. Antonio Ovideo (Colombia) to replace Mr. Alfonso Palacio Rudas;
Mr. Rolf Pauls (Federal Republic of Germany) to replace Mr. Walter Weber.

3. Adoption of the agenda (agenda item 1)

186. At its 159th meeting on 3 September, the Board considered the provisional agenda (TD/B/171) as approved at its sixth session. 37/ The representative of the Philippines proposed, on behalf of the thirty-one developing countries members of the Board, the inclusion of a supplementary item relating to the United Nations Capital Development Fund. The Board agreed to the inclusion of the supplementary

33/ See summary record of the 158th (opening) meeting (TD/B/SR.158).

34/ See above, part one, para. 3.

35/ In accordance with the procedure established at the Board's third session (Official Records of the General Assembly, Twenty-first Session, Supplement No. 15 (A/6315/Rev.1 and Corr.1, part two, para. 183)), a notification by a Vice-President that he would be unable to attend a session during his term of office is construed as a resignation and a substitute nominated by his delegation and elected by the Board serves for the remainder of the unexpired term.

36/ See summary records of the 158th and 159th meetings (TD/B/SR.158 and 159).

37/ See above, part one, para. 20.

item, subject to the reservations expressed by some representatives, and adopted the following agenda for its seventh session (TD/B/187):

1. Adoption of the agenda.
2. Adoption of the report on credentials.
3. Improvement of the institutional machinery and the methods of work: draft resolutions on institutional arrangements remitted by the Conference. Report of the Secretary-General of UNCTAD on the activities of UNCTAD, in particular in regard to the resolutions and other decisions of the second session of the Conference.
4. UNCTAD and the second United Nations Development Decade (General Assembly resolution 2305 (XXII)).
5. Other institutional matters:
 - (a) Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements;
 - (b) International legislation on shipping: recommendation of the Conference for the creation of a Working Group of the Committee on Shipping;
 - (c) Transfer of technology, including know-how and patents: draft resolution on the establishment of an intergovernmental committee transmitted by the Conference;
 - (d) Composition of the Intergovernmental Group on Supplementary Financing;
 - (e) Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board.
6. Reports on negotiations or consultations on individual commodities.
7. Progress report on the study on terms of shipment.
8. UNCTAD/GATT International Trade Centre.
9. Progressive development of the law of international trade: first annual report of the United Nations Commission on International Trade Law.
10. Co-ordination of the activities of UNCTAD with those of other bodies in the field of trade and development.
11. Elections:
 - (a) Election to membership of committees;
 - (b) Election of the Chairman and appointment of members of the Advisory Committee to the Board and to the Committee on Commodities.

12. Review of the calendar of meetings.
13. Provisional agenda for the eighth session of the Board.
14. Financial implications of the actions of the Board.
15. United Nations Capital Development Fund.
16. Other business.
17. Adoption of the report of the Board to the General Assembly.

4. Membership and attendance

187. The following members of the Board were represented at the seventh session: Afghanistan, Algeria, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chad, Chile, Colombia, Costa Rica, Czechoslovakia, Denmark, Federal Republic of Germany, Finland, France, Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Jamaica, Japan, Madagascar, Malaysia, Mali, Mexico, Netherlands, New Zealand, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Rwanda, Senegal, Spain, Sweden, Switzerland, Syria, Tunisia, Uganda, Union of Soviet Socialist Republics, United States of America, United Kingdom of Great Britain and Northern Ireland, Venezuela, Yugoslavia.

188. The following States members of the Conference sent observers to the session: Argentina, Bolivia, China, Congo (Democratic Republic of), Cuba, Dominican Republic, Ecuador, Ethiopia, Guinea, Holy See, Ireland, Israel, Kuwait, Lebanon, Morocco, Nicaragua, Norway, Paraguay, Republic of Korea, Republic of Viet-Nam, Saudi Arabia, South Africa, Thailand, Togo, Trinidad and Tobago, Turkey, United Arab Republic, United Republic of Tanzania, Uruguay, Zambia.

189. The Economic Commission for Africa, the Economic Commission for Europe and the Economic Commission for Latin America were represented. The United Nations Economic and Social Office in Beirut was also represented.

190. The following specialized agencies were represented: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, International Monetary Fund. The Contracting Parties to GATT were also represented.

191. The following other intergovernmental bodies were represented: Asian Development Bank, 38/ Council for Mutual Economic Assistance, East African Community, 38/ European Economic Community, European Free Trade Association, Inter-American Development Bank, International Tin Council, International Union for the Protection of Industrial Property, League of Arab States, Organization of American States, Organization for Economic Co-operation and Development, Permanent Consultative Committee of the Maghreb, Regional Co-operation for Economic Development, 38/ Secretariat of the General Treaty for Central American Economic Integration.

38/ Invited to participate in the discussion of item 5 (a) in accordance with a decision taken at the 157th meeting of the Board.

192. The following non-governmental organizations were represented: Afro-Asian Organization for Economic Co-operation, International Bar Association, International Chamber of Commerce, International Confederation of Free Trade Unions, International Federation of Agricultural Producers, International Federation of Christian Trade Unions, Union of International Fairs, World Federation of Trade Unions.

5. Adoption of the report on credentials (agenda item 2)

193. At its 170th meeting on 18 September 1968, the Board adopted the report of the Bureau (TD/B/191), which stated that all representatives attending the session had communicated proper credentials.

6. Organization of the work of the seventh session

194. At its 159th meeting on 3 September 1968, the Board appointed a Sessional Committee open to the participation of all members of the Board to consider agenda items 5, 7, 8, 9 and 10 and to report to the Board.

195. At its first meeting on 4 September 1968, the Sessional Committee elected Mr. P. Aitken (Jamaica) Chairman and Mr. D. Laloux (Belgium) as Vice-Chairman and Rapporteur. It held fifteen meetings from 4 to 19 September. Its report to the Board (TD/B/L.137) was considered at the Board's 172nd and 173rd meetings 39/ on 20 and 21 September 1968.

7. Elections (agenda item 11)

(a) Election to membership of committees

196. In conformity with the decision taken by the Board at its first session that the term of office of one third of the members of each of its main committees would expire each year, 40/ and with a view to filling the vacancies which would occur on 31 December 1968, the Board at its 170th meeting on 18 September 1968 elected for a three-year term expiring on 31 December 1971 one third of the members of its Committees. 41/

197. The following countries were elected to serve on the Committee on Commodities: Australia, Bolivia, Bulgaria, Finland, France, Guatemala, Guinea, Iran, Iraq, Mali, Netherlands, Philippines, Poland, Senegal, Sweden, United Arab Republic, United States of America, Venezuela.

39/ For an account of the Board's deliberations on the report, see chapters II, V, VI, VII and VIII above.

40/ See Official Records of the General Assembly, Twentieth Session, Supplement No. 15 (A/6023/Rev.1) part one, para. 197.

41/ For the full membership of the Board's Committees for 1969, see annex IV to this part of the present report.

198. At the same meeting, the Board was informed that Afghanistan, which had been elected at the sixth session of the Board to the Committee on Commodities for a term of three years expiring on 31 December 1970, had decided to withdraw from that Committee as of 16 September 1968. The Board unanimously elected India to replace Afghanistan on the Committee on Commodities for a term expiring on 31 December 1970.

199. The following countries were elected to serve on the Committee on Manufactures: Afghanistan, Brazil, Bulgaria, Canada, Guinea, Italy, Malaysia, Nigeria, Poland, Senegal, Sweden, Switzerland, United Republic of Tanzania, United States of America, Uruguay.

200. The following countries were elected to serve on the Committee on Invisibles and Financing related to Trade: Argentina, Canada, Ethiopia, Federal Republic of Germany, Ghana, Hungary, Italy, Japan, Kuwait, Mali, Peru, Republic of Viet-Nam,^{42/} Romania, Spain, United Arab Republic.

201. The following countries were elected to serve on the Committee on Shipping: Brazil, Chad, Czechoslovakia, Denmark, France, Ghana, India, Mexico, Netherlands, New Zealand, Norway, Republic of Korea, ^{42/} Senegal, Thailand, Union of Soviet Socialist Republics.

(b) Changes in the composition of the Advisory Committee to the Board and to the Committee on Commodities

202. The Board at its 170th meeting on 18 September 1968 was informed of two vacancies which had occurred in the membership of the Advisory Committee to the Board and to the Committee on Commodities: that created by the untimely death of Mr. S.A. Hasnie (Pakistan), who had been nominated by the Contracting Parties to Gatt, and that created by the resignation of Mr. Salvador Peña Slane (Mexico), who had been appointed on the recommendation of the Secretary-General of UNCTAD as "a person particularly concerned with non-agricultural primary commodities". The Board noted the nomination by the Contracting Parties to GATT of Mr. S. Osman Ali (Pakistan) (TD/B/190) to replace Mr. Hasnie for the remainder of the latter's unexpired term and for the succeeding three-year term, and appointed Mr. Tulio de Andrea (Peru) who had been recommended by the Secretary-General of UNCTAD (TD/B/188) to replace Mr. Peña Slane.

8. Review of the calendar of meetings (agenda item 12)

203. The Board had before it a note by the secretariat (TD/B/L.132 and Add.1) containing the calendar of meetings of UNCTAD bodies for the remainder of 1968 and for 1969 and a tentative schedule of meetings of 1970. ^{43/} The Board considered

^{42/} For the reservations formulated by the representatives of the socialist countries of Eastern Europe regarding the election of these two countries, see the summary record of the 170th meeting (TD/B/SR.170).

^{43/} At the 173rd meeting on 21 September 1968, the secretariat made a statement regarding the timing and number of sessions of the Board in 1970 (TD/B/SR.173).

these at its 171st meeting on 18 September 1968 and approved them with one amendment, i.e. that the session of the Tungsten Committee scheduled for July 1969 be specifically designated as being tentative. 44/

204. In response to questions asked by the representatives of two developing countries regarding the state of the studies on the tariff and non-tariff barriers affecting the trade in raisins and dates, which had been requested at the fifth session of the Board, 45/ and the reason why a meeting on these two commodities was not scheduled in the proposed calendar, the secretariat stated that consideration had been given to these studies in consultation with FAO and that the studies were proceeding. A section covering these commodities would appear in the next Commodity Survey. It was, however, too early to say when the studies would be completed and consequently a meeting on the subject could not at the moment be scheduled on the calendar of meetings.

9. Provisional agenda for the eighth session of the Board (agenda item 13)

205. At its 171st plenary meeting, the Board considered a note by the UNCTAD secretariat (TD/B/L.131) containing a draft provisional agenda for the eighth session prepared in pursuance of rule 8 of the rules of procedure, and a draft provisional agenda for the ninth session of the Board prepared at the request of the Board.

206. During the discussion the Board decided to revise the wording of item 5 (c) and to add an item on the special problems of land-locked countries to the provisional agenda of the eighth session.

207. The provisional agenda for the eighth session, as adopted after a debate which is reflected in the summary record of the 171st meeting, reads as follows:

1. Election of officers.
2. Adoption of the agenda.
3. Adoption of the report on credentials.
4. UNCTAD and the second United Nations Development Decade.
5. Commodity problems and policies:
 - (a) Report of the Committee on Commodities on its third session;
 - (b) Recommendations of the Committee on Commodities on draft proposals transmitted to the Board by the second session of UNCTAD;

44/ For the calendar of meetings as approved, see annex I to this part of the present report, decision 49 (VII).

45/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 14 (A/6714), part one, para. 43.

- (c) Consideration of the establishment of a suitable procedure for the preparation and adoption of a General Agreement on Commodity Arrangements (Conference resolution 17 (II));
 - (d) Report of the Advisory Committee to the Board and to the Committee on Commodities on its third session;
 - (e) Report on negotiations or consultations on individual commodities.
6. Expansion and diversification of exports of manufactures and semi-manufactures of developing countries:
 - (a) Report of the Special Committee on Preferences on its first session (Conference resolution 21 (II));
 - (b) Report of the Committee on Manufactures on its third session;
 - (c) Recommendations of the Committee on Manufactures on the draft resolutions transmitted to the Board by the second session of UNCTAD;
 - (d) Determination of the nature, scope and characteristics of the study on restrictive business practices (Conference resolution 25 (II)).
 7. Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements.
 8. Trade relations among countries having different economic and social systems: consideration of procedures for the implementation of paragraph D.3 of Conference resolution 15 (II).
 9. Special problems of land-locked countries (Conference resolution 11 (II)).
 10. Training of technical and special staff in the field of export promotion and invisible transactions: progress report by the Secretary-General of UNCTAD (Conference resolution 1 (II)).
 11. Measures to inform world public opinion of the work of UNCTAD and of the problems of development: report by the Secretary-General of UNCTAD on action taken under Conference resolution 10 (II).
 12. Co-ordination of the activities of UNCTAD with those of other bodies in the field of trade and development.
 13. Appointment of the members of the Advisory Committee to the Board and to the Committee on Commodities.
 14. Review of the calendar of meetings.
 15. Provisional agenda for the ninth session.
 16. Work programme of the UNCTAD secretariat and its requirements.
 17. Financial implications of the actions of the Board.

18. Other business.

19. Adoption of the report of the Board on its eighth session.

10. Financial implications of the actions of the Board (agenda item 14)

208. The representative of the Secretary-General of UNCTAD, introducing this item (see also document TD/B/181 and Corr.1-4 and Add.1), said that, although the Board had been unable to examine the UNCTAD work programme early enough in the year to permit its views to come before the Committee for Programme and Co-ordination (CPC) or the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in 1968, it would have an opportunity to consider the programme in detail at its eighth session, under a separate agenda item. The draft work programme and related budgetary requirements to be prepared for that session by the secretariat would take into account the recommendations of the CPC as approved by the Economic and Social Council, would cover the years 1969, 1970 and 1971 and would indicate suggested priorities.

209. The Board would thus be in a position to transmit to the CPC and ACABQ early in 1969 its views on the relative priorities to be given to the various elements of the UNCTAD work programme. In that connexion, he referred to Economic and Social Council resolution 1367 (XLV) of 2 August 1968 by which the Board was invited to classify the items in its work programme into the priority categories (A, B and C) recommended by the CPC.

210. The Board agreed that detailed consideration should be given to the work programme early in the eighth session along the lines suggested by the secretariat. A number of delegations considered that it would be desirable to establish a sessional committee or working party for this purpose at that session.

211. Several representatives emphasized that the role of the Board in this respect would not be to determine the budgetary requirements of the programme - this function remaining with the Secretary-General and the administrative and budgetary organs of the United Nations - but rather to review the programme itself and the consequential deployment of the resources of UNCTAD; one delegation stated that it was necessary to stabilize the UNCTAD budget. The establishment of priorities among the items in the work programme would form an essential part of such a review. One representative stated that, since the priorities of one country or group of countries were not necessarily those of another, the criterion to be adopted should be whether a particular issue or activity was ripe for negotiation among, or for decision by, the Governments of States members of UNCTAD.

212. Attention was drawn to the desirability of drafting the documents on the work programme in the format suggested by the CPC 46/ and endorsed by the Economic and Social Council, i.e. in such a way that it would serve not only the Board's review but also the requirements of the various United Nations bodies responsible for programme planning and co-ordination. The representative of one developed market

46/ Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 9 (E/4493/Rev.2), paras. 27-32.

economy country expressed the opinion that the review would also be of assistance to the Secretary-General of UNCTAD in connexion with his budget and planning estimates. 47/

213. At the 173rd meeting on 21 September 1968, the representative of the Secretary-General of UNCTAD made a statement concerning the financial implications of the actions taken by the Board. 48/

214. One representative made a statement reserving the position which his Government would adopt when the budget estimates came to be considered in the appropriate organs of the General Assembly.

215. Another representative made a statement requesting that priority be given to the projects related to trade expansion and regional integration among developing countries and also, in view of the resolution adopted by the Board concerning the second Development Decade, to the special studies to be undertaken by the UNCTAD secretariat in support of the preparations of the Department of Economic and Social Affairs for the Decade (TD/B/181, annex, pp. 12-14).

11. Adoption of the report of the Board to the General Assembly (agenda item 17)

216. At its 174th meeting on 23 September 1968, the Trade and Development Board adopted the present report on its seventh session. At the same meeting, the Board adopted its report to the General Assembly covering the period from 10 September 1967 to 23 September 1968 and consisting of the reports on its third special session (16 November 1967), its sixth regular session (6 and 7 May 1968) and its seventh regular session (2 to 23 September 1968).

12. Closure of the session

217. At the 174th meeting on 23 September 1968, the President declared closed the seventh session of the Trade and Development Board.

47/ For details of the discussion on the work programme, see summary records of the 171st and 173rd meetings on 18 and 21 September 1968 (TD/B/SR.171 and 173).

48/ A summary of the statement was subsequently circulated as document TD/B/195. The text of the summary is also reproduced in annex II to this part of the present report.

ANNEXES

ANNEX I

RESOLUTIONS AND DECISIONS OF THE BOARD
AT ITS SEVENTH SESSION

	<u>Resolutions</u>	<u>Page</u>
42 (VII).	United Nations Capital Development Fund (agenda item 15) Resolution of 17 September 1968	83
44 (VII).	Technical assistance in trade and related fields (agenda item 3) Resolution of 21 September 1968	83
46 (VII).	International legislation on shipping: recommendation of the United Nations Conference on Trade and Development for the creation of a working group of the Committee on Shipping (agenda item 5 (b)) Resolution of 21 September 1968	85
47 (VII).	The United Nations Conference on Trade and Development and the second United Nations Development Decade (agenda item 4) Resolution of 21 September 1968	86
48 (VII).	Transfer of technology, including know-how and patents: draft resolution on the establishment of an intergovernmental committee transmitted by the United Nations Conference on Trade and Development (agenda item 5 (c)) Resolution of 21 September 1968	89
<u>Decisions</u>		
43 (VII).	Arrangements for the participation of non-governmental organizations in the activities of the United Nations Conference on Trade and Development (agenda item 5 (e)) (approved on 20 September 1968)	90
45 (VII).	Improvement of the institutional machinery and methods of work (agenda item 3) (approved on 21 September 1968)	93
49 (VII).	Calendar of UNCTAD meetings for the remainder of 1968 and for 1969 and tentative schedule of meetings for 1970 (agenda item 12) (approved on 18 September 1968)	97

Other decisions

Page

(a)	Enlargement of the Intergovernmental Group on Supplementary Financing	100
(b)	Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board	100
(c)	Changes in the composition of the Advisory Committee to the Board and to the Committee on Commodities	101

RESOLUTIONS

42 (VII). United Nations Capital Development Fund

The Trade and Development Board,

Recalling the proposal submitted by a group of countries at the second session of the United Nations Conference on Trade and Development and transmitted by the Conference to the Trade and Development Board for consideration a/ in which member Governments, especially those of the economically advanced countries, are urged to make substantial contributions at the United Nations Capital Development Fund's forthcoming 1968 Pledging Conference,

1. Stresses the urgent need for the commencing of the operations of the United Nations Capital Development Fund as an important instrument within the United Nations system for aiding and accelerating the economic development of the developing countries, especially in the field of their investment activity;
2. Takes note of Economic and Social Council resolution 1350 (XLV) of 2 August 1968 on the United Nations Capital Development Fund requesting the Administrator, in consultation with Member States concerned, to continue his efforts with a view to beginning the operation of the United Nations Capital Development Fund including the identification of specific projects in the programme of work of different organizations of the United Nations system which can benefit from investment within the scope of the existing resources of the United Nations Capital Development Fund;
3. Joins in the appeal contained in Economic and Social Council resolution 1350 (XLV) and expresses the hope that Governments of States Members of the United Nations and members of the specialized agencies and of the International Atomic Energy Agency will take the necessary measures to participate in the Pledging Conference of the United Nations Capital Development Fund to be convened on 9 October 1968.

169th plenary meeting,
17 September 1968.

44 (VII). Technical assistance in trade and related fields

The Trade and Development Board,

Taking into account General Assembly resolution 1995 (XIX) of 30 December 1964, which provides that one of the principal functions of the United Nations Conference on Trade and Development is "to promote international trade, especially with a view to accelerating economic development",

a/ See report of the Conference on its second session - Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.68.II.D.14), annex VIII.

Conscious of the particular needs of the developing countries for technical assistance to promote their exports and raise their income from invisible transactions, and of the wish expressed by the developing countries to take full advantage of the assistance of the United Nations Development Programme (Technical Assistance and Special Fund),

Considering that this wish can be more efficiently met if UNCTAD is more closely associated in its technical assistance work with activities relating to the formulation and preparation of projects and the negotiation and implementation of the same,

Taking note of the statement made by the Secretary-General of UNCTAD at the 173rd plenary meeting of the Trade and Development Board, b/

Recommends that the General Assembly give UNCTAD the status of a participating organization of the United Nations Development Programme in conformity with General Assembly resolution 2029 (XX) of 22 November 1965 and therefore proposes to the General Assembly the adoption of the following draft resolution:

"Technical assistance in trade and related fields

"The General Assembly,

"Having considered Trade and Development Board resolution 44 (VII) of 21 September 1968 on technical assistance in trade and related fields,

"Taking note of the statement made by the Secretary-General of the United Nations Conference on Trade and Development on this subject at the seventh session of the Board, b/

"Further to its resolutions 2207 (XXI) of 17 December 1966 and 2297 (XXII) of 12 December 1967,

"1. Endorses the recommendations contained in Trade and Development Board resolution 44 (VII);

"2. Decides that the United Nations Conference on Trade and Development shall be a participating organization of the United Nations Development Programme in conformity with General Assembly resolution 2029 (XX) of 22 November 1965."

173rd plenary meeting,
21 September 1968.

b/ See annex to this resolution for the text of the statement.

Annex

Statement by the Secretary-General of the United Nations Conference
on Trade and Development in relation to the draft resolution on
technical assistance in trade and related fields

Regarding the recommendation of the Trade and Development Board to the General Assembly that UNCTAD should be given the status of a participating organization in the United Nations Development Programme, it is understood, as proposed in section I (c) of document TD/B/173 and Corr.1, that UNCTAD would continue to rely on the existing administrative and financial services of the United Nations, including the resident representatives of UNDP. With regard to the regular technical assistance programme of the United Nations (chapter V of the budget), I have no intention of suggesting any modification in the present practice for the handling of projects in the field of trade and in related fields under that programme, i.e. I shall not seek that a specific portion of chapter V be earmarked in advance for such projects, nor, of course, shall I seek that a certain amount of funds for technical assistance be taken off chapter V to be assigned to UNCTAD under another heading for technical assistance in its field of competence.

As regards the field of export promotion, I should like to emphasize that the recently created UNCTAD/GATT International Trade Centre is responsible for work in this field. UNCTAD and GATT have no activities of their own in export promotion, these activities being performed in the joint Centre. This does not mean that UNCTAD, in consultation with the joint Centre and with due regard to the arrangements approved by the General Assembly in resolution 2297 (XXII) of 12 December 1967, should not be able to allocate certain projects to other institutions active in the field of export promotion for implementation.

46 (VII). International legislation on shipping: recommendation of the United Nations Conference on Trade and Development for the creation of a working group of the Committee on Shipping

The Trade and Development Board,

Recalling resolution 14 (II) of the second session of the United Nations Conference on Trade and Development concerning international legislation on shipping,

Taking note of the views expressed on the subject during the Conference,

Taking note also of the note by the United Nations Secretariat entitled "The role of the United Nations Commission on International Trade Law in international shipping legislation", c/

Bearing in mind paragraph 7 of resolution 11 (II), adopted unanimously at the second session of the Conference, on the particular needs of land-locked developing countries,

c/ TD/B/SC.8/1.

Instructs the Committee on Shipping of UNCTAD to create a Working Group on International Shipping Legislation, from among the member States, and to determine its terms of reference in the light of the provisions of Conference resolution 14 (II) and bearing in mind the views expressed on the subject at the second session of the Conference, and also to prepare its programme of work.

173rd plenary meeting,
21 September 1968.

47 (VII). The United Nations Conference on Trade and Development and the second United Nations Development Decade d/
(General Assembly resolution 2305 (XXII))

The Trade and Development Board,

Recalling General Assembly resolution 2305 (XXII) of 13 December 1967 on the United Nations Development Decade which, inter alia, requests the Secretary-General of the United Nations, in consultation with the Committee for Development Planning and the organizations in the United Nations system, and on the basis of the results of the second session of the United Nations Conference on Trade and Development, to incorporate suggestions on the appropriate means of harmonizing measures that could be considered by international organizations, on the one hand, and by developing and developed countries, on the other, in the preliminary framework of an international development strategy,

Recognizing that the second session of the Conference had resolved to continue its efforts to reach agreement by making full use of its continuing machinery and, in particular, of the opportunities for further consultation and study provided by the Trade and Development Board, to which it had referred several issues of relevance to the second United Nations Development Decade,

Recalling the draft proposal submitted by a group of countries at the second session of the Conference and transmitted to the Trade and Development Board for consideration emphasizing the need to synchronize the international and national policies and to formulate a charter and a global strategy of economic development, e/

d/ The Board adopted this resolution by a roll-call vote of 33 to none, with 15 abstentions:

In favour: Afghanistan, Algeria, Belgium, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Czechoslovakia, Ghana, Greece, Hungary, India, Indonesia, Iran, Iraq, Jamaica, Madagascar, Malaysia, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Senegal, Spain, Uganda, Union of Soviet Socialist Republics, Venezuela, Yugoslavia.

Against: None.

Abstaining: Australia, Austria, Canada, Denmark, Federal Republic of Germany, Finland, France, Italy, Japan, Netherlands, New Zealand, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

e/ See Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.63.II.D.14), annex VIII.

Taking note of Economic and Social Council resolution 1356 (XLV) of 2 August 1968 on the United Nations Development Decade in which it is noted that the Conference at its second session considered, in line with General Assembly resolution 2305 (XXII), issues relating to the formulation of an international development policy and that the subject of the second United Nations Development Decade is on the agenda of the seventh session of the Trade and Development Board,

Noting particularly the stress laid in Economic and Social Council resolution 1356 (XLV) on the need to agree on goals and objectives of the next Decade as well as on the practical steps to be taken to realize them, taking into account the specific agreements already reached or likely to be reached in the field of development,

Having considered the report of the Secretary-General of UNCTAD on The role of UNCTAD in the second United Nations Development Decade f/ calling for the preparation of the ground for the major political decisions which development requires,

Stressing the need of intensifying the preparatory work for the second United Nations Development Decade and the importance of associating Governments with these preparations,

1. Takes note of the report of the Secretary-General of UNCTAD f/ and expresses its appreciation for the efforts made by the Secretary-General in defining the role of UNCTAD in the second United Nations Development Decade;

2. Reaffirms the important role UNCTAD has to play within its competence in the combination of efforts within the United Nations family for the preparation of the second Development Decade in view of the vital significance of the matters of trade and development in the context of an international strategy for development;

3. Requests the Secretary-General of UNCTAD to transmit his report to member Governments for comments and to the Secretary-General of the United Nations so as to make it available to the General Assembly and to the Economic and Social Council jointly with other documents concerning the preparatory work for the second Development Decade, together with comments made on this report at the seventh session of the Trade and Development Board;

4. Invites the Secretary-General of UNCTAD to continue preparatory work for the second Development Decade and, in particular, to formulate suggestions and proposals on the goals and objectives in the field of trade and development within its competence and with due regard to the activities of other United Nations organizations and the deliberations at the seventh session of the Trade and Development Board and to outline a programme of practical steps to realize them with due regard to the requests made in Economic and Social Council resolution 1356 (XLV), and submit a report thereon for consideration by the Board at its eighth session;

5. Further invites the Secretary-General of UNCTAD to convene a group composed of representatives of Governments of any country member of UNCTAD wishing to participate in its work to assist him in performing the task mentioned in

f/ TD/B/186/Rev.1.

paragraph 4 above, to consider any other relevant document and make suggestions concerning further preparatory work to be done by the continuing machinery; g/

6. Invites the Governments of member States to notify the Secretary-General of UNCTAD by 1 November 1968 of their wish to participate in the work of the Group established under paragraph 5 above in order to facilitate the arrangements for the meetings of the Group;

7. Urges the Secretary-General of UNCTAD to give the highest priority to the preparatory work for the second United Nations Development Decade in order to enable the continuing machinery to join in the efforts to ensure that the second Development Decade would commence by January 1970 or at such time as might be decided upon by the General Assembly.

173rd plenary meeting,
21 September 1968.

g/ The Board adopted this paragraph by a roll-call vote of 33 to 7, with 7 abstentions:

In favour: Afghanistan, Algeria, Belgium, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Czechoslovakia, Greece, Hungary, India, Indonesia, Iran, Iraq, Jamaica, Madagascar, Malaysia, Mali, Mexico, Netherlands, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Senegal, Spain, Uganda, Union of Soviet Socialist Republics, Venezuela, Yugoslavia.

Against: Australia, Canada, France, Italy, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Denmark, Federal Republic of Germany, Finland, New Zealand, Sweden, Switzerland.

48 (VII). Transfer of technology, including know-how and patents:
draft resolution on the establishment of an
intergovernmental committee transmitted by the United
Nations Conference on Trade and Development h/

The Trade and Development Board,

Noting the decision of the second session of the United Nations Conference on Trade and Development to refer the draft resolution concerning transfer of technology, including know-how and patents i/ to the Trade and Development Board for consideration at its seventh session, j/

Bearing in mind Economic and Social Council resolution 1361 (XLV) of 2 August 1968, which states that the Trade and Development Board should take into account the desirability of deferring any final action on that draft resolution until after the forty-sixth session of the Economic and Social Council,

1. Stresses the need to establish within the framework of UNCTAD an appropriate intergovernmental machinery to study the general question of the transfer of patented and non-patented technology likely to promote the economic development of the developing countries;

2. Reaffirms that the developing countries have an urgent and fundamental interest in obtaining adequate and easy access to modern technology and that, consequently, UNCTAD should keep this subject under permanent study and review;

3. Requests the Secretary-General of UNCTAD, when co-operating with the Secretary-General of the United Nations in the preparation of the report referred to in paragraph 1 of Economic and Social Council resolution 1361 (XLV), to take into consideration the fact that the existing institutional arrangements are not

h/ The Board adopted this resolution by a roll-call vote of 24 to 17, with 7 abstentions:

In favour: Algeria, Brazil, Chad, Chile, Colombia, Costa Rica, Ghana, India, Indonesia, Iran, Iraq, Jamaica, Madagascar, Malaysia, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Senegal, Uganda, Venezuela, Yugoslavia.

Against: Australia, Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Greece, Italy, Japan, Netherlands, New Zealand, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Spain, Union of Soviet Socialist Republics.

i/ TD/L.24.

j/ See report of the Conference on its second session - Proceedings of the United Nations Conference on Trade and Development, Second Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.68.II.D.14), annex VIII.

adapted in this respect to the requirements of the developing countries and to emphasize the role that UNCTAD might play in the field of the transfer of technology, in accordance with the objectives of the organization;

4. Decides to take the final action at its session following the forty-sixth session of the Economic and Social Council, but not later than 30 September 1969, taking into account, inter alia, the proposals and recommendations contained in the draft resolution concerning transfer of technology, including know-how and patents. i/

173rd plenary meeting,
21 September 1968.

DECISIONS

43 (VII). Arrangements for the participation of non-governmental organizations in the activities of the United Nations Conference on Trade and Development k/

I

CRITERIA TO BE APPLIED IN THE ESTABLISHMENT OF THE LIST OF NON-GOVERNMENTAL ORGANIZATIONS PROVIDED FOR IN RULE 79 OF THE RULES OF PROCEDURE OF THE TRADE AND DEVELOPMENT BOARD

1. The organization shall be concerned with matters of trade and of trade as related to development. In this connexion the organization shall provide the necessary evidence that it is concerned with matters falling within the terms of the functions which devolve upon the United Nations Conference on Trade and Development under General Assembly resolution 1995 (XIX) of 30 December 1964.
2. In considering an application from a non-governmental organization under rule 79 of the rules of procedure, the Secretary-General of the Conference and the Bureau of the Board shall be guided by the principle that relationship arrangements are to be made, on the one hand, for the purpose of enabling the Board and/or its subsidiary bodies to secure information or advice from organizations having special competence in the subjects for which relationship arrangements are made, and, on the other hand, to enable organizations which represent important elements of public opinion to express their views. Therefore, the participation of each organization in the activities of UNCTAD should involve only the subjects for which that organization has a special competence or in which it has special interest.
3. The aims and purposes of the organization shall be in conformity with the spirit, purposes and principles of the Charter of the United Nations.
4. The organization shall undertake to support the work of UNCTAD and to promote knowledge of its principles and activities, in accordance with its own aims and purposes and the nature and scope of its competence and activities.

k/ This decision replaces Board decision 14 (II) of 7 September 1965.

5. The organization shall be of recognized standing and shall represent a substantial proportion of the organized persons within the particular field in which it operates. To meet this requirement, a group of organizations may be represented by a joint committee or other body authorized to carry on consultations for the group as a whole. It is understood that when a minority opinion develops on a particular point within such a liaison committee, it will be presented to UNCTAD along with the opinion of the majority.

6. The organization shall have an established headquarters with an executive officer. It shall have a conference, convention or other policy-making body. In submitting its application under rule 79, the organization shall indicate the name of the executive officer, or of its authorized representative who shall be in charge of maintaining liaison with the Secretary-General of UNCTAD.

7. The organization shall have authority to speak for its members through its authorized representatives. Evidence of this authority shall be presented, if requested.

8. The organization shall be international in its structure, with members who exercise voting rights in relation to the policies or action of the international organizations. Any international organization which is not established by inter-governmental agreement shall be considered as a non-governmental organization for the purposes of rule 79.

9. An international organization which is a member of a committee or of a group composed of international organizations which has already been included in the list provided for in rule 79 shall not normally be included in the list.

10. In considering the inclusion of a non-governmental organization in the list provided for under rule 79, the Secretary-General of UNCTAD and the Bureau of the Board will take into account whether or not the field of activity of the organization is wholly or mainly within the field of a specialized agency or an intergovernmental organization of those referred to in paragraph 18 of General Assembly resolution 1995 (XIX).

11. In including a non-governmental organization in the list provided for in rule 79, regard shall be had to the nature and scope of its activities and to the assistance that may be expected by UNCTAD in carrying out the functions set out in General Assembly resolution 1995 (XIX).

12. In establishing the list provided for in rule 79, the Board shall distinguish between:

(a) Organizations which exercise functions, and have a basic interest, in most of the activities of the Board and which would, therefore, be entitled to the rights provided for in rule 79 of the Board at meetings of the Board and under rule 78 of the Committees at meetings of all the Committees (to be known as organizations in the General Category); and

(b) Organizations which have a special competence in, and are concerned with, specific matters falling within the terms of reference of one or two Committees or of the Board itself and which would, therefore, be entitled to the rights provided for in rule 78 of the rules of procedure of the Committees concerned, and, when the

Board has these specific matters under consideration, the rights provided under rule 79 of the Board (to be known as organizations in the Special Category).

II

PROCEDURES TO BE APPLIED BY THE BUREAU IN DISCHARGING ITS FUNCTIONS UNDER RULE 79 OF THE RULES OF PROCEDURE OF THE BOARD

1. The Bureau shall meet upon the recommendation of the Secretary-General of UNCTAD whenever matters falling within the terms of rule 79 must be considered. Whenever possible the Secretary-General of the Conference shall also consult the members of the Bureau by mail.
2. The Bureau shall consider the applications which have been submitted to the Secretary-General of UNCTAD by non-governmental organizations as well as the explanatory memoranda and other documentation that the organizations may have attached to their applications. In this connexion, due account shall be taken of the recommendations and explanatory notes submitted by the Secretary-General regarding each application.
3. Upon the basis of the documentation submitted under paragraph 2 above and of the criteria for the establishment of relationship arrangements with non-governmental organizations, the Bureau shall then give advice to the Secretary-General of UNCTAD as to which non-governmental organizations should be included in the list provided for in rule 79. If required, the matter shall be put to the vote and decided by majority vote of the members of the Bureau present and voting. Any recommendation of the Bureau against the inclusion of a non-governmental organization in the list shall be considered as final.

III

ARRANGEMENTS FOR THE ASSOCIATION OF NATIONAL NON-GOVERNMENTAL ORGANIZATIONS WITH THE ACTIVITIES OF UNCTAD (THE REGISTER)

National non-governmental organizations of recognized standing which are deemed to have a significant contribution to make to the work of UNCTAD may be entered by the Secretary-General of UNCTAD in a Register established for that purpose. Entry in the Register of a national organization shall be subject to prior consultation with the member State concerned.

IV

SECRETARIAT RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

The Secretary-General of UNCTAD shall be authorized, within the means at his disposal, to offer to non-governmental organizations which are included in the list provided for in rule 79 (i.e. non-governmental organizations in the General and Special Categories) and to non-governmental organizations entered in the Register referred to in part III above, the following facilities:

1. Distribution of such documents of the Board and its subsidiary organs as shall in the judgement of the Secretary-General of UNCTAD be appropriate.
2. Access to the press documentation of UNCTAD and, periodically, to such other public information material relating to the activities of UNCTAD as may be considered appropriate.
3. Arrangements for informal discussions of matters of special interest to groups or organizations.

V

APPLICATION OF RULE 79 OF THE BOARD AND RULE 78 OF THE COMMITTEES OF THE BOARD

For the purposes of applying rule 79 of the Board and rule 78 of the Committees of the Board, only non-governmental organizations admitted to either the General or the Special Category provided for in part I, paragraph 12, above shall be deemed to be included in the list referred to in those rules and, consequently, to be entitled to the rights set out therein.

172nd plenary meeting,
20 September 1968.

45 (VII). Improvement of the institutional machinery and methods of work

1. The Board considered that, in the light of the experience gained over the past four years, there was a case for reviewing the institutional machinery of the United Nations Conference on Trade and Development and its methods of work. The Board undertook its review within the framework of General Assembly resolution 1995 (XIX) of 30 December 1964 and with the common objective of enhancing the capacity of UNCTAD to achieve positive results.
2. The Board recognized that the task of negotiation, including exploration, consultation and agreement on solutions, is a single process. It noted that, since UNCTAD was created four years ago, a large number of problems had been explored in considerable detail and that this had shown the need for concrete solutions to these problems. It reiterated its view that the achievement of solutions was and remained the primary objective of UNCTAD. While the procedures for reaching agreement on a given problem were bound to differ, the Board welcomed the fact that in respect of some problems, the processes of exploration and consultation in UNCTAD had already resulted in a willingness on the part of Governments to support agreed recommendations and, in some cases, to enter into negotiations leading towards the "adoption of multilateral legal instruments". 1/
3. The Board urged that the search for solutions to problems of international trade be vigorously pursued, especially with a view to accelerating economic development. It believed that, in this connexion, the deliberations of UNCTAD would continue to be of value in influencing all member Governments to follow policies in harmony with the requirements of trade and development.

1/ See General Assembly resolution 1995 (XIX), para. 3 (e).

4. The Board considers that the institutional machinery of UNCTAD and its methods of work should be kept under review in the light of the effectiveness of this decision.

The UNCTAD machinery

5. The Conference, the Board, the Main Committees and their subsidiary bodies should together form a coherent network, within which the process of purposeful and continuous intergovernmental co-operation and consultation within UNCTAD should proceed, with a view to reaching a greater measure of agreement on problems before it.

Future sessions of the Conference

6. The more effective and permanent machinery is in carrying out the above-mentioned process, the more the Conference will be able to concentrate on its tasks as set out in paragraphs 3 and 30 of General Assembly resolution 1995 (XIX), and, in particular, on reviewing recent developments and long-term trends, on acting on such recommendations as are made to it by the permanent machinery and on setting new guidelines for the work of the permanent machinery in ensuing years.

7. It is desirable that sessions of the Conference should be shortened to remain within the limits of three to four weeks. It should concentrate on issues of fundamental importance so as to attract the attendance of Ministers and should, in so far as possible, be limited to those issues which are mature for settlement or for which further directives are required. The agenda, which must in any case be drawn up on the basis of preparatory discussions in the permanent machinery, should be prepared with these considerations in mind.

8. A short preparatory meeting before each session may be useful to deal with all organizational and formal matters, including elections.

The Trade and Development Board

9. When the Conference is not in session, the Board is authorized, and therefore invited, to carry out fully the functions that fall within the competence of the Conference, in accordance with paragraph 14 of General Assembly resolution 1995 (XIX) and resolution 19 (II) of the Board.

10. The Board should normally hold one regular session a year. In order to strengthen the effectiveness of the machinery of UNCTAD, the Board should increasingly devote itself to the development of agreed solutions. The Board may consider holding sessions at a high political level in order to consider matters of greater importance; such sessions would need to be well prepared in advance.

11. When a special session of the Board is requested by five members of UNCTAD in accordance with rule 4, paragraph 2, of the rules of procedure, the Board considers that such a special session should be held within the minimum periods of time provided for in rule 4, paragraph 2, and rule 6 of the rules of procedure.

12. Whenever the Board or the Committees are discussing a matter of specific interest to a particular member State, whether a member or non-member of the Board or of the Committee concerned, that State should be accorded full facilities to participate in the discussions at all levels and to be consulted at all levels, in accordance with the provisions of paragraph 10 of General Assembly resolution 1995 (XIX) and of rule 76 of the rules of procedure of the Board. The composition and terms of reference of the Board or of the Committees need not be altered in this respect.

13. Sessional Committees of the Board, if established, should concentrate on the consideration of the recommendations which are formulated in the Main Committees, and the resolution of differences which appear in the Committees.

The Main Committees of the Board

14. The Main Committees should normally meet once a year, well before the Board's session to allow sufficient time for Governments to consider carefully the Committee's recommendations before the Board meets, it being understood that the session of the Committee on Shipping should normally be held not earlier than March of each year. Normally the duration of the Committee sessions should not exceed two weeks.

15. The terms of reference and the rules of procedure of the Committee on Manufactures and of the Committee on Invisibles and Financing related to Trade should be brought in line with the terms of reference and rules of procedure of the other two Main Committees of the Board so as to enable them to set up, without further approval by the Board, intergovernmental groups on matters which fall within their competence. These groups would report to the Committees, which would review and make recommendations on the basis of their specialized work.

UNCTAD/GATT relations

16. On the basis of General Assembly resolution 1995 (XIX) and in order to facilitate the harmonious development of the activities of UNCTAD and the General Agreement on Tariffs and Trade and to ensure that the results of those activities are complementary, the Secretary-General of UNCTAD should maintain regular contact and consultation with the Director-General of GATT, in order to compare current or planned work programmes with a view, wherever possible, to avoiding duplication and exploring further possibilities of joint or co-ordinated action by UNCTAD and GATT.

17. Member States should be kept informed of these consultations in order to give such directives as may appear necessary.

Documentation

18. All background documentation should be as concise as possible and should be completed and sent to member Governments in all official languages at least six weeks before the dates of the meetings at which they are to be considered. It will be desirable if summary records are provided only for the plenary meetings of the Board and of the Main Committees.

The secretariat

19. The Secretary-General of UNCTAD should take the necessary initiative and be appropriately represented at all stages of the discussions and negotiations.
20. In reviewing the effectiveness of the institutional arrangements of UNCTAD (Conference, Board, subsidiary bodies, secretariat), the question of the appointment of a Deputy should be considered in order to enable the Secretary-General of UNCTAD to concentrate on substantive matters, including consultations with Governments to stimulate their political will.
21. More intensive contacts of the Secretary-General of UNCTAD with countries, and among the various groups of countries, would help to bring about greater effectiveness in the work of the permanent machinery.
22. Further to the provisions of resolution 16 (II) of the Conference, the Secretary-General of UNCTAD is authorized to arrange intergovernmental consultations in the field of commodities after having taken into account the views of any commodity group concerned, consulted with interested Governments and ensured that the necessary preparatory work has been done.
23. The Secretary-General of UNCTAD is authorized, with the concurrence or on the initiative of the President of the Board or the Chairman of any of its subsidiary organs, to alter the dates of meetings when this is deemed to be in the interests of the work of the organization.
24. Further, in order to establish closer contact between the UNCTAD secretariat and the Governments of member States and in order that Governments and public opinion may have a better understanding of the problems dealt with by UNCTAD, the public information activities of UNCTAD should be reviewed.
25. Since Geneva is the headquarters of UNCTAD, all meetings of the Conference and its organs should normally be held in the Palais des Nations.

Relationship of UNCTAD to the United Nations Development Programme

26. The Board recommends to the General Assembly that it designate UNCTAD as a participating organization of the United Nations Development Programme. m/

173rd plenary meeting,
21 September 1968.

m/ For the text of the draft resolution, see resolution 44 (VII) above.

49 (VII). Calendar of UNCTAD meetings for the remainder of 1968 and for 1969, and tentative schedule of meetings for 1970

<u>1968</u>			
	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Trade and Development Board, seventh session	2-20 September	3 weeks	Geneva
Joint UNCTAD/FAO Working Party on Forest and Timber Products	23-27 September	1 week	Geneva
United Nations Sugar Conference (resumed)	23 September- 18 October	4 weeks	Geneva
Working Group on Tungsten, fifth session	24-26 September	3 days	New York
Committee on Manufactures, third session	8-19 October	2 weeks	Geneva
Intergovernmental Group on Supplementary Financing, fourth session	21-25 October	1 week	Geneva
Permanent Group on Synthetics and Substitutes, second session	22-29 October	6 days	Geneva
Committee on Commodities, third session	28 October- 8 November	2 weeks	Geneva
Special Committee on Preferences, first session	29 November- 17 December	2 1/2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities, third session	9-13 December ^{n/}	1 week	Geneva
United Nations Cocoa Conference	to be determined	5 weeks	Geneva
Permanent Sub-Committee on Commodities	if required	1 week	to be determined
Intergovernmental and/or expert groups (up to eight)	as required	2 weeks each	to be determined
Intergovernmental consultations on individual commodities	as required	7 weeks	to be determined

^{n/} Tentative.

1969

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Trade and Development Board, eighth session	21 January- 7 February	3 weeks	Geneva
Committee on Invisibles and Financing related to Trade, third session <u>o/</u>	17-28 February	2 weeks	Geneva
United Nations Conference on Olive Oil	March	up to 4 weeks	Geneva
Committee on Shipping, third session	9-25 April	2 1/2 weeks	Geneva
Special Committee on Preferences, second session	28 April-9 May	2 weeks	Geneva
Intergovernmental Group on Supplementary Financing, fifth session	23 June-4 July	2 weeks	Geneva
Committee on Tungsten,) sixth session)	July ^{p/}	2 weeks	Geneva
Working Group on Tungsten,) sixth session)			
Committee on Tungsten:) Statistical Working Party)			
Trade and Development Board, ninth session	26 August- 12 September	3 weeks	Geneva
Permanent Group on Synthetics and Substitutes, third session	6-10 October	1 week	Geneva
Committee on Commodities, fourth session	13-24 October	2 weeks	Geneva
Committee on Manufactures, fourth session	1-12 December	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities	to be determined	2 sessions 1 week each	to be determined
Advisory Group on the UNCTAD/GATT International Trade Centre	to be determined	4 days	Geneva
Two commodity conferences	as required	4-5 weeks each	to be determined

o/ In view of the importance of the financing element in this Committee's agenda, the Committee may wish to devote all of its third session to financing and to postpone consideration of invisibles (insurance and tourism) to its fourth session.

p/ Tentative.

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Permanent Sub-Committee on Commodities	if required	1 week	Geneva
Intergovernmental and/or expert groups (up to ten)	as required	2 weeks each	to be determined
Commodity consultations	as required	4-5 weeks	to be determined
<u>1970</u>			
Trade and Development Board, tenth session <u>q</u> /	19 January- 6 February	3 weeks	Geneva
Permanent Group on Synthetics and Substitutes, fourth session	February	5 days	Geneva
Committee on Shipping, fourth session	March/April	2 weeks	Geneva
Committee on Invisibles and Financing related to trade, fourth session	June/July	2 weeks	Geneva
Trade and Development Board, eleventh session <u>q</u> /	31 August- 18 September	3 weeks	Geneva
Committee on Commodities, fifth session	September/October	2 weeks	Geneva
Committee on Manufactures, fifth session	November/December	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities	to be determined	2 sessions 1 week each	to be determined
Advisory Group on the UNCTAD/GATT International Trade Centre	to be determined	4 days	Geneva
Committee on Tungsten, seventh session	as required	1 week	to be determined
Working Group on Tungsten, seventh session	to be determined	1 week	to be determined
Permanent Sub-Committee on Commodities	if required	1 week	to be determined
Two commodity conferences	as required	4-5 weeks each	to be determined
Intergovernmental and/or expert groups (up to ten)	as required	1-2 weeks each	to be determined
Commodity consultations	as required	4-5 weeks	to be determined

q/ For statement by the secretariat regarding the timing and number of sessions of the Board in 1970, see summary record of the 173rd plenary meeting (TD/B/SR.173).

171st plenary meeting,
18 September 1968.

OTHER DECISIONS

(a) Enlargement of the Intergovernmental Group on Supplementary Financing^{r/}

At its 172nd meeting on 20 September 1968, the Board approved the expansion of the Intergovernmental Group on Supplementary Financing to a membership of twenty-six. The countries in lists A, B and C of the annex to General Assembly resolution 1995 (XIX) of 30 December 1964 respectively designated the following additional members to serve on the Intergovernmental Group:

List A Afghanistan
Chad
Nigeria
Pakistan
Tunisia

List B Australia
Canada
Italy
Switzerland

List C Chile
Uruguay
Venezuela

As regards the countries in list D, Poland will continue to serve on the Intergovernmental Group.

Accordingly, the Intergovernmental Group will consist of the undermentioned twenty-six members:

Afghanistan, Argentina, Australia, Brazil, Canada, Ceylon, Chad, Chile, Federal Republic of Germany, France, Ghana, India, Italy, Japan, Nigeria, Pakistan, Poland, Sweden, Switzerland, Tunisia, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yugoslavia.

(b) Designation of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Board s/

At its 172nd meeting on 20 September 1968, the Board approved the applications of the undermentioned eleven non-governmental organizations for inclusion in the list provided for under rule 79 of the Board's rules of procedure:

International Law Association

International Rayon and Synthetic Fibres Committee

Standing Conference of Chambers of Commerce and Industry of the European Economic Community

^{r/} See part two of the present report, paras. 96-99.

^{s/} Ibid., para. 112.

Union of Industries of the European Community

European Insurance Committee

International Christian Union of Business Executives

Latin American Shipowners' Association

International Centre for Wholesale Trade

International Cocoa Trades Federation

International Federation of Purchasing

World Veterans Federation

Accordingly, there are twenty-eight non-governmental organizations designated for the purpose referred to above. t/ At the same meeting the Board authorized the secretariat to carry out the necessary preparatory work for the classification of these twenty-eight non-governmental organizations u/ and to report to the Board at its eighth session.

(c) Changes in the composition of the Advisory Committee to the Board and to the Committee on Commodities v/

At its 170th meeting on 18 September 1968, the Board noted the nomination by the Contracting Parties to the General Agreement on Tariffs and Trade of Mr. S. Osman Ali (Pakistan) to replace Mr. S.A. Hasnie (Pakistan) for the remainder of the latter's unexpired term and for the succeeding three years, and appointed Mr. Tulio de Andrea (Peru) who had been recommended by the Secretary-General of UNCTAD to replace Mr. Salvador Peña Slane (Mexico), who had resigned, for the latter's unexpired term ending on 14 February 1969.

t/ I.e., the seventeen organizations designated at the Board's 38th meeting on 7 September 1965 (see Official Records of the General Assembly, Twentieth Session, Supplement No. 15 (A/6023/Rev.1), part two, paras. 80 and 81) and the eleven organizations referred to above.

u/ See above, decision 43 (VII).

v/ See part two of the present report, para. 202.

ANNEX II

FINANCIAL IMPLICATIONS OF THE ACTIONS OF THE BOARD

Note by the UNCTAD secretariat

[document TD/B/195]

1. In accordance with rule 31 of its rules of procedure, the Board has been advised, in the course of its discussions, of the administrative and financial implications of draft resolutions that involved expenditure.

2. The purpose of this document is to summarize for the Board the financial implications of the resolutions it adopted.

<u>Agenda item</u>	<u>Subject</u> (document containing full description)	<u>Financial implications in</u>	
		<u>1968</u> \$	<u>1969</u> \$
4	United Nations Cocoa Conference if held in 1968 (TD/B/L.132/Add.1)	110,000	-
5 (b)	Working Group on International Shipping Legislation (resolution 46 (VII))		
	Conference services	-	15,000
	Joint Shipping Legislation Unit (UNCTAD/Office of Legal Affairs) (TD/B/L.133)	-	39,000
5 (c)	Appropriate intergovernmental machinery to study transfer of technology (resolution 48 (VII)) (TD/B/L/138)	To be determined at a later session of the Board	
12	Intergovernmental group to assist the Secretary- General of UNCTAD in continuing the preparatory work for the second United Nations Development Decade (resolution 47 (VII)) (TD/B/L.129/Add.1)	80,000	-

ANNEX III

STATEMENT MADE BY THE SECRETARY-GENERAL OF UNCTAD AT THE
167th PLENARY MEETING OF THE TRADE AND DEVELOPMENT BOARD
ON 12 SEPTEMBER 1968, CONCERNING UNCTAD AND THE SECOND
UNITED NATIONS DEVELOPMENT DECADE

[document TD/B/1897]

Thank you, Mr. President, for giving me the floor. As a matter of fact I had not intended to speak, but proposed to stay in the background and make myself available to answer any questions which representatives might wish to ask me on this item. However, it is very hard to resist the persuasive force of the remarks made by the distinguished Ambassador of the Philippines in his capacity as Chairman of the Group of Thirty-one, and I gladly take this opportunity to enlarge on a subject which I consider vitally important in relation not only to the coming decade but to the ensuing decades; for this task cannot be completed in a bare decade.

The ideas which I ventured to set out in a very general and summary form in the report which I had the pleasure to submit to Governments (TD/B/186/Rev.1) are ideas that have been taking shape in many minds in the light of the experience gained in the past twenty years, especially the years which have elapsed since the start of the first United Nations Development Decade. The conviction has gradually been growing that we cannot continue to deal with the vast and urgent problem of development by piecemeal and unrelated measures, but must make a comprehensive approach comprising a number of interrelated fundamental measures designed to solve that problem; measures which must be accompanied by some quantitative idea of the difficulties to be overcome and of the measures to be brought into play for that purpose.

I think that one of the basic lessons of this first Decade, now coming to an end, is just this: that the various measures required to tackle the common problem of development need to be fitted into a rational over-all scheme.

Everyone now agrees that these measures must be convergent and synchronized - that has been said in this Board on several occasions. Everyone recognizes also that development is essentially the responsibility of the countries that wish to develop. Nobody denies this basic truth. Similarly, there is general - and increasing - recognition that the peripheral countries must act on this responsibility by effecting a series of reforms in their economic and social structure. Modern technology will make no real headway in those countries if certain obsolete structures, both in the economy and in community life, are maintained. In addition to these structural transformations, economic development requires fundamental changes in the attitude of the developing peoples to the new problems which that development involves; lastly, it demands a certain discipline, which must find expression in well-thought-out plans for both economic and social development.

All this is clear and obvious enough, and one of the great contributions made by the United Nations during this expiring Decade, through the regional economic

commissions and through the central organs of our family of international organizations, has been the way in which it has fostered a gradual recognition that these problems are fundamental and cannot be shelved or shirked if the pace of economic and social development is to be quickened. This should be remembered when we speak of a development strategy; but it is also recognized that the wisest internal development policy will encounter enormous difficulties if it cannot rely on the support of a combination of measures of international economic co-operation in both the commercial and the financial field.

I am repeating something which is already common knowledge, but which must be remembered when strategy is under discussion. In other words, in order to solve this common problem which concerns the industrial countries and the developing countries alike, the development strategy which the United Nations General Assembly is endeavouring to work out requires that the measures to be taken by both parties should be convergent, simultaneous and synchronized.

As I see it, this is the central theme of the strategy. The best of internal development policies, if not doomed to failure, is destined to lose much of its effect in the absence of adequate international co-operation; and the best of international co-operation policies will not attain its objective unless it is accompanied by sound and enlightened internal measures of development. On the other hand, we all know how difficult it is to carry out such reforms in economic and social structure, how difficult it is for developing countries to take the responsibility of introducing such reforms, not only in the internal sector, but also as regards the measures they must adopt in order to increase trade among themselves or to arrive at valid formulas of integration one with another. Consequently it seems essential that measures of international co-operation should be directed, in particular, towards facilitating the economic and social evolution of the developing countries and the attainment of their internal policy objectives.

A developing country whose export growth rate is thoroughly satisfactory is in a much better position to expand its trade with other developing countries and to carry out its own structural reforms than a country whose exports grow slowly and fluctuate widely in volume and value. As I see it, an essential factor in the whole of this strategy is a systematic and sustained improvement in foreign trade. These international measures for improving foreign trade cannot, of course, be made conditional upon the action taken by each individual developing country. They must be general, non-discriminatory measures which offer all developing countries, without distinction as to region, full access to the markets of the industrial countries. This does not mean, however, that the mere promotion of foreign trade is sufficient to bring about the necessary structural reforms and changes of attitude in the developing countries, or the exercise of development discipline. More than once we have seen developing countries enjoy several years of favourable foreign trade conditions and yet, precisely on account of this climate of prosperity, decline an auspicious opportunity to undertake those reforms. This has resulted in the paradoxical situation that these structural reforms and essential changes in attitude do not take place in times of prosperity because no one feels the direct and pressing need for them. Nor do they occur in difficult periods, because a difficult period is hostile to all such reforms; it does nothing to foster their achievement, and it presents additional problems and obstacles which are not usually easy to overcome.

So what can be done? Here we have one of the fundamental problems to be tackled by the development strategy. In this respect I believe that a massive mobilization of international resources on behalf of the developing countries is essential. This was recognized at New Delhi. The conclusion was reached that it is necessary for the industrial countries to transfer at least the equivalent of 1 per cent of their gross product to the developing countries. It is unfortunately true that so far no date has been set for the attainment of that objective, but it is to be hoped that one can be agreed upon in the near future, once some of the difficulties have been overcome. All this is already recognized; but in my opinion - and this is a key factor in the development strategy - that massive mobilization of international financial resources should be specifically directed towards promoting all the structural reforms, changes in attitude and development discipline to which I have referred. In other words, a country prepared to make a vigorous onslaught on its development problems would need, in addition to a favourable climate for its foreign trade, all the international financial resources required to carry out its agrarian, educational and social reforms and its development plan. Of course, no one can compel any developing country, or developed country for that matter, to do what it does not wish to do. Internal structural reforms, changes in attitude and development discipline cannot be imparted by international agreements. They depend exclusively on what each country is able and willing to do. There is no doubt whatsoever about that. Development strategy cannot compel anyone to do what he does not wish. But it should be based on this consideration: those developing countries which realize the gravity, urgency and importance of their development problem, and which see the necessity of making all the changes I have mentioned, should have at their disposal all the international financial and technical resources they need in order to bring about those changes and to set out on the way of development discipline.

A country which, for reasons of its own, does not consider it desirable to accept such development discipline or to carry out such structural changes should not on that account be deprived of the opportunity to submit a particular project to the international credit institutions for financing, as is the practice at present. In my opinion, however, the massive and systematic transfer of financial resources generated by increasing attainment of the target of 1 per cent of the gross product of the industrial countries, to which I have referred, should be channelled towards those countries of the third world - and I hope there will be more and more of them - which are prepared to submit to that development discipline and accept development planning, including the necessary structural reforms. That is the central idea to which I ventured to allude in my report. It is difficult to apply, but I do not think there is any other solution to the development problem than a massive transfer of resources, closely linked to the effectiveness of development plans.

To be sure, we are still very far from attaining that objective, despite the enormous progress made in the last ten years. The international credit institutions and the few financial consortia which have been set up to finance development plans have not been extended far enough; and two fundamental problems concerning the financing of development plans have not yet been solved. Firstly, given a satisfactory development plan, the supply of international financial resources to make up a shortage of local resources should continue throughout the life of the plan. In other words, adequate international financial resources should be pledged to cover the whole period of the development plan - subject, of course, to intensive mobilization of internal resources, as their essential counterpart. So far, unfortunately, this policy - which I consider fundamental -

has been applied only in exceptional cases. Planning cannot be carried out in uncertainty and there are too many internal factors of uncertainty for further international ones to be added.

In the second place, there is still a reluctance to recognize that if the volume of financial resources which a country can mobilize internally is insufficient to cover all the internal cost of needed investment, then international resources are required for this purpose. There is still reluctance to acknowledge this fact, which seems to me to be elementary and undeniable logic from the standpoint of economic theory. These are the main points, but there is a third one which has been the subject of considerable discussion in UNCTAD. How is it possible for the developing countries to engage in planning when the sword of Damocles of external fluctuations continues to hang over their heads? Frequently, a country which draws up a plan on the basis of certain reasonable - assumptions regarding the progress of its exports, is exposed, after the plan has been completed, to a sudden and unexpected contraction of its exports and therefore sees its calculations of internal resource mobilization nullified. All of us who have had any experience of financial and monetary matters in our countries are aware that a continuous and persistent development policy cannot be pursued without the supplementary resources needed in order to cope with unexpected external contractions or fluctuations.

If the development strategy is to be based on planning, all these fundamental points must be borne in mind. Much has been written and said on the subject, but there is still a lack of practical decisions. To sum up, therefore, while the measures taken in the field of international trade must be general and non-discriminatory and available to all countries, international financial and technical co-operation must, within this strategy, be channelled primarily to those developing countries in which the measures of co-operation will be most fruitful and have the greatest effect, because the recipient country is trying to establish the necessary conditions for taking fullest advantage of them. This does not mean ignoring the need to differentiate between countries according to their degree of development. Every country, whatever its level of development, should be able to participate in the strategy. Obviously, the lower a country's level of development and the lower its per capita income, the greater - other things being equal - must be the mobilization of resources to assist that country in dealing with its development problems. This central notion of the strategy is entirely compatible with the basic distinction which must be made in regard to levels of development, with the need to concentrate efforts specifically in those countries which need them most because they are in the early stages of development.

I now think that I should try to clarify some of the points which I made in my report concerning the nature of the convergent measures and the new principle of reciprocity involved in these measures to be taken by both the industrialized and the developing countries.

What is sought of the industrial countries in the field of foreign trade? Principally, greater access for commodities and a broad system of preferences for the manufactures and semi-manufactures of the developing countries. In seeking these improvements for both types of product, the producers are not offering the classical reciprocity which has characterized the negotiations within GATT. The developing countries are not in a position to grant direct reciprocity of trade,

apart from the implicit reciprocity resulting from the fact that an increase in exports will lead to an expansion of imports. On the other hand, the developing countries must take measures to increase trade among themselves because, even if we take the most optimistic view, an increase in their exports to the industrial countries will not by itself be sufficient to solve the trade deficit problem which is a feature of development in the countries of the third world. This fundamental problem cannot be solved unless measures are taken to expand trade among the developing countries. Convergent measures must therefore be taken if we wish to tackle the problem of the persistent tendency towards external disequilibrium during the development process. To deal with this general problem we therefore need a new type of reciprocity - reciprocity in the sense that what the industrial countries do must be accompanied by measures taken by the developing countries themselves in order to solve the problem. This applies also in the area of finance: a greater mobilization of international financial resources must be accompanied by measures designed systematically to increase the mobilization of local resources as the favourable effects of the internal development policy and of international co-operation make themselves felt. Similarly, international supplementary financing measures must be accompanied by internal measures designed to help to offset the effects of external fluctuations. I attach very great importance to international measures because these internal measures will be much easier to apply, the broader, the more systematic and the more persistent are the external measures of co-operation. I said earlier that no country could be compelled to do what it did not want to do in the matter of internal development. However, a country which desires to make the changes needed in order to speed up its economic growth must have all the necessary technical and financial assistance in order to do so. This, I feel, is the key to the strategy.

What, then, is UNCTAD's role in all this? I should not like my report to be misinterpreted in any way. I referred at some length in it to the measures which concern our organization directly, but I also sought to present the problem of the development strategy as a whole, because it is impossible to separate the trade and financial measures with which UNCTAD is concerned from the over-all, global strategy. This should not be interpreted as meaning that the secretariat proposes to go outside its terms of reference and to concern itself with matters which are the responsibility of other United Nations bodies or the specialized agencies. If I have mentioned the inescapable need for internal development measures, for structural reforms, for a changed attitude and for development discipline, that is not because I think that it is up to UNCTAD to concert these measures, but because I believe that a strategy without these measures would be of little or no value. Where these measures are to be articulated with one another is another matter. Considerable experience of internal development measures already exists in the United Nations regional economic commissions, as well as in other regional organizations outside the United Nations. If I have mentioned this category of problems, this does not mean that I advocate their being entrusted to us, but simply that problems of foreign trade and financing cannot be considered in isolation. The solutions to these problems must be sought in relationship with the measures adopted for the solution of other problems which have to be dealt with elsewhere. I felt this clarification to be necessary because I understood that there was some feeling that I was seeking to bring within the jurisdiction of UNCTAD matters which were not the concern of the organization. It is for this reason that I thought it desirable to give this general outline of the strategy in order properly to indicate the importance - the vital importance,

in my view - of the measures to be taken by UNCTAD. I do not wish either to exaggerate or to minimize the importance of UNCTAD's task. My intention has been to bring out the close connexion between that task and the action which must be taken by other bodies called upon to assist in the economic and social fields in planning the grand strategy which the United Nations General Assembly proposes to work out during the year 1969.

On mentioning the year 1969, I feel some concern, because I have noticed in some circles a tendency to delay consideration of the strategy because of a desire first of all to formulate quantitative targets to guide the strategy. I do not wish to minimize in any way the importance of quantitative measurement of targets but, at the same time, I do not see the need for plunging into highly detailed econometrics. I believe, for example, that we must have a clear idea of the order of magnitude of the potential trade deficit of the developing countries. We sought to obtain this picture at the first Conference of UNCTAD. Then, some rather more accurate calculations of the foreign trade deficit, based on certain assumptions, carried out under the direction of my colleague Sidney Dell, were submitted at New Delhi. Efforts were also made to measure the savings deficit which would occur if certain current trends were not modified, assuming particular growth rates were aimed at. All these studies proved very useful - I am delighted to say - to the econometrists engaged in this type of work, as they did to me. However, we must not fall into the illusion, the error, of believing that it is not possible to advance further in formulating a grand strategy of development without completing and refining all these calculations and details, or that accuracy cannot be achieved except on the basis of national calculations. I do not believe it will be very productive to continue working with world data at this stage. We have already done so. A different approach is needed now. International targets must be based on national planning, on determination of the feasibility of certain growth rates for individual countries, or at least for a number of countries representing 80 to 85 per cent of all the developing countries. But we must not be too demanding or too ambitious in this matter. The main point is to have a clear idea of the order of magnitude of the problems. Then the calculations we already have in certain fields will show us, for example, that if reasonably soon within the next few years, we can achieve the target of transfer to the developing countries of financial resources equivalent to 1 per cent of the gross product of the industrial countries, this will make it possible, in the medium term, to raise the growth rate of the developing countries as a whole to a figure of about 6 per cent, assuming that the latter countries also make a certain effort to mobilize their internal resources. I emphasize "medium" term, since we must not think that the rates will be uniform. They will have to be based on the possibilities of each country. Some might be 5 per cent and others could be more, as much as 7, 8 or 9 per cent; there is no point in speculation on this subject, however, until the feasibility of the rates is analysed. In my opinion, at the present stage it is enough to know that if the 1 per cent target is attained it will be possible to begin a much more favourable and dynamic phase of development than that attained in the preceding decade and, as we enter that phase, we shall be able gradually to refine the calculations and determine how they need to be adjusted, in one way or another, for the attainment of more ambitious targets. The same can be said regarding trade deficits. For this reason I believe it is my duty to point out clearly to the Governments represented here that while there may be other obstacles to hamper the formulation of this strategy, there should be no obstacles of an econometric nature.

In my report, I devote some attention to the question of foreign private capital. I believe, as I stated in that report, that such capital has a great role to play in the development of countries which decide to adopt or maintain a given policy of internal development. In referring to foreign private capital I certainly do not mean to suggest that it should be the sole basis for development. I fully respect the differences between economic and social systems. Accordingly, for obvious reasons where an international secretariat is involved, the considerations that I put forward in this respect should be regarded as part of a given philosophy of development and should not be interpreted in other ways which are not a matter for our concern.

What I wanted to say in the lines I wrote on this subject is the following. I believe that foreign private capital can and does have considerable influence in the transfer of new technology from the industrialized to the developing countries, but at the same time I pointed out that this raises a number of problems. One of these problems is that although there are developing countries which have already mastered certain technologies, we often see instances where foreign capital, instead of entering new fields of activity, is invested in sectors in which there are already adequate local skills and capacity. Consequently, I believe that suitable formulas should be sought to enable each country to determine the sectors in which it needs foreign co-operation. On the other hand, I also believe that this calls for new formulas consistent with internal development objectives and the fundamental necessity of contributing to the training of local entrepreneurs. Economic development must be essentially a national phenomenon; it cannot be imposed from outside. Foreign co-operation is very important but it must be subordinated to national objectives; the essential task is to train the people in each country or region to deal with their own problems, with whatever foreign assistance they may require. In this respect I believe that there is a considerable field for exploration and search for new formulas of association, participation and sharing of responsibilities. It is not merely a question of finding adequate guarantees, but rather of finding formulas for action which are dynamic and far-sighted, since the more progress is made in respect of these new formulas the easier will be the process of co-operation, and the less the danger of later difficulties. Consequently, in speaking of this matter, I repeat that I do not forget that there are different economic and social systems and that each country will have to decide which is most appropriate for its own development philosophy.

However, though many aspects of this have been adequately explored there is much to be done in others, because this is a field in which development strategy must be enunciated, since it is of fundamental importance.

I do not propose here to comment at length on the basic points of my report but rather, as I approach the end of my statement, to refer to the institutional machinery that a development strategy requires. I lay great stress on the need for planning and on the fact that the flow of international finance - bearing in mind the differences in degree of development - must be related to the dynamic validity of a plan, to the ability of a plan to solve a country's problems, mobilize its own resources and cope with the innumerable complex problems that development brings with it. However, if plans are to be the basis for a flow of international capital, who is to consider those plans? No plan evaluates itself; someone has to evaluate it, and this is being done - in some cases by international credit institutions or consortiums organized to finance a plan;

in other cases. as we all know, evaluations are being made even when there is no plan in the strict sense of the word. Indeed, many if not all the major international credit operations carried out since the institutions established after Bretton Woods and the regional institutions began to function, have been based on an analysis of conditions in the applicant country, its economic and financial policy and its capacity to pay. Some consideration has been given to the applicant's economic policy, though not on the basis of any specific international agreement and not necessarily with the agreement of the countries concerned as to the main lines of the economic and social development policy to be followed. I believe that the strategy should consider these main lines. However, this will not solve the whole problem, even if it does take us far beyond the level that has prevailed during these past fifteen years. Owing to the absence of these main lines - which perhaps could not have been arrived at fifteen years ago - the introduction of the iron and steel industry in a given developing country, for example, was regarded as absurd; fortunately, we are now past that stage. Fifteen years ago the very process of industrialization of the developing countries was regarded in some quarters as an economic error when the question of providing international financial resources for that purpose arose. We now have all that behind us, but we are still faced with obstacles. I therefore believe that it is of fundamental importance in the strategy to lay down the mainlines of economic and social development policy; this definition should be arrived at with the active and concerted participation of the developing countries themselves.

Naturally these things cannot be imposed from the outside. I repeat this fundamental point and I shall continue to repeat it as long as necessary, but it will not solve the problem of how to assess the dynamic validity of a plan. There are various ideas on the subject: one, the idea that international credit institutions or consortiums should have the responsibility of examining and evaluating plans; another, the idea that independent experts should be asked to perform this task. I believe that it is very important to consider this point, but just as important or possibly even more important than the consideration of plans - in which the international credit institutions have already acquired experience - is the assessment of the progress which has already been made in applying the strategy. In my opinion there should be a periodic stock-taking to review the progress made and the obstacles encountered and to consider the need for any change in direction. How can this be done? This question has not yet been answered. How can we carry out a periodic review of what is being done in the industrialized countries with regard to their convergent measures, what is being done by the developing countries, by the international credit organizations and consortiums which finance plans or projects, what is being done in the field of technical assistance and how is all that related to the strategy of development?

This topic has been considered, though I believe not yet thoroughly examined, in the Committee for Development Planning set up by the Economic and Social Council. In this connexion a very important paper, which I mentioned in my report, was presented in which the following solution is advocated: there should be a group of international experts independent of Governments and international credit institutions to consider periodically what is being done in respect of development strategy. This idea merits consideration but I am inclined to believe, as I said in passing in my report, that an international solution might not be the most appropriate. However capable a group of experts might be, it is difficult for me to conceive how such a group, alone, could cope with the entire problem of world development in its many aspects. I would be inclined to favour various

regional or sub-regional solutions arrived at with the close co-operation of the United Nations regional economic commissions and other agencies, since no new bodies should be set up in this field. I feel that, within the United Nations and the regional agencies, there are already enough bodies dealing with this subject. Those bodies could carry out the fundamental task on the basis of reports submitted by the agencies and Governments concerned. In this way the basic analyses could be prepared and then submitted to a group of experts for an assessment - an assessment which, for obvious reasons, international officials cannot make. The reports of the secretariat and of the regional groups of experts could first be considered at the regional level and their conclusions could then be referred to UNCTAD or to the Economic and Social Council or to the combined attention of both organizations. This is a question which must be studied to avoid overlapping of jurisdiction and the consideration of certain problems of the strategy first by one body and then by the other without any over-all and co-ordinated view being taken of all the problems.

I have mentioned the need to face this institutional problem but I have not of course gone into the matter further, out of respect for other bodies, and have only ventured to suggest the need to consider them because this is a new problem in strategy, a new field of action for the United Nations, which calls for adaptation of the institutional machinery to the requirements of those new forms of action that experience has shown to be desirable.

In this field of development there are certain basic phenomena which are independent of economic and social systems. The problem of the tendency to external imbalance, related to the slow growth of exports of primary commodities, for example, is not a problem arising from this or that economic and social system. The same is true of the problem of the savings deficit. The problem of growing difficulties in the absorption of manpower, caused by the fact that modern technology is moving increasingly towards economy of labour, is also independent of economic and social systems. It is quite possible to envisage a strategy which would take into account these fundamental and common problems, of concern to all, and would at the same time permit the co-ordination of measures taken both by the market-economy industrial countries and the industrial socialist-economy countries. We all know that there are certain difficulties still to be surmounted in this connexion. We heard the socialist countries say at the New Delhi Conference that they do not accept the target of a 1 per cent transfer of financial resources, but it was once suggested that such a transfer might in certain cases be related to an increase in foreign trade. This is a question that was left unsettled and requires further investigation. Since the socialist countries themselves have indicated their desire to continue to lend financial assistance to the developing countries, and to extend that assistance, I do not think it impossible to find formulas that will allow for the co-operation of both groups of countries in the strategy.

The same observation also applies to foreign trade targets. Naturally, countries like the socialist countries, which have planned their foreign trade, are best able to set indicative targets in the matter - "indicative" in the sense of establishing certain quantitative data which could be used for reference purposes in regard to development policy and particularly in connexion with the development of imports of primary and industrial commodities. This does not necessarily mean an actual commitment, but indicative figures, the realization of which must be dependent on what the other side does, on the willingness of the developing countries to expand their imports from the socialist countries. I do

not believe that any of this presents fundamental obstacles. I refuse to believe also that we cannot work out certain formulas which will enable the joint efforts of industrial countries with differing economic and social systems to be co-ordinated for the development strategy.

Finally, Mr. President, I wish to make this point. I submitted to the New Delhi Conference, late, it is true, on account of the usual stresses of an international civil servant's life, a report entitled Towards a Global Strategy of Development (TD/3/Rev.1). I had in one of my pockets certain notes that could have served at New Delhi as the basis for a preliminary draft designed to facilitate the General Assembly's action in this matter, as envisaged by the General Assembly itself, in the relevant resolution. On the advice of more than one delegation, however, I wisely kept those notes in my pocket because I was told, and quite rightly, "Take care. Do not help in the planning of a grand strategy without the practical resources which the strategy requires. Do not imagine that you are directing the Conference towards a development rhetoric, to the detriment of the concrete measures that must result from this Conference". That was good advice, Mr. President, because I realized quite early that all the concrete and positive measures would not emerge from New Delhi which it was reasonable to expect, in spite of the prevailing adverse circumstances.

This is not a criticism but a warning for the future. No development strategy formulated by the United Nations General Assembly will have any value unless it is based on a concerted set of concrete measures. We have had enough of general statements and recommendations. There is a report that representatives have seen in which all the recommendations and resolutions adopted by the various United Nations bodies in the last twenty years have been collected. The most vivid imagination could not have conceived twenty years ago of an institution so well nourished, so replete with statements and pious aspirations of a general nature. I do not say that this stage has not been of value. I believe that it has led to changes in thinking, that it has created an atmosphere and is still doing so. But if development strategy was a mere enunciation of general formulas, was not based on practical measures in the field of international trade, financing and internal development policy, and was unable to co-ordinate them, I think it would have again joined the ranks of pious illusions, something which I do not believe could happen again at this stage of events. A development strategy without a set of practical measures would, I repeat, be of almost negligible value. This does not mean that if the strategy is to be drawn up in the United Nations in the year 1969 all the practical measures have to be decided upon immediately. No, Mr. President. Certain important practical measures must be incorporated in the strategy, others can be mentioned and left for consideration by the permanent UNCTAD machinery and other bodies. The strategy must be a combination of specific measures already taken and others yet to be taken. As far as UNCTAD is concerned, I think that a large number of the measures which the strategy should include have already been discussed and are ready for solution; these include preferences, supplementary financing and the 1 per cent target. The New Delhi Conference decided that the permanent machinery can and should consider those and other measures. It is therefore my opinion that the work of the permanent machinery in the future - and I have particularly in mind the session of the Board in September 1969 - will be of the greatest importance. Thus the fundamental role of our institution in the development of the strategy emerges. In indicating some of the broad lines of that strategy I have borne in mind the fact that UNCTAD's task, although important, is limited; it cannot cover the whole field. UNCTAD's action must be linked, co-ordinated and combined with that of other institutions. We shall have to determine which is the most suitable formula for that purpose.

This is all I have to say for the present. I have perhaps spoken too long, but not long enough to enter into all the intricate aspects of this problem. I shall therefore be glad to place myself at the disposal of representatives so that if, during the discussion of this very important problem, questions arise which I or my colleagues can answer, we shall be available to do so. In a task of this nature, above all in a task which has had to be performed in the difficult conditions prevailing in our organization because of the accumulation of work, there are gaps and deficiencies which I hope members of the Board will excuse and which I and my colleagues will endeavour to remedy as far as possible during this debate if necessary.

Thank you, Mr. President, for the opportunity you have given me and I thank especially the Ambassador of the Philippines, who has once again encouraged me to speak in spite of my intentions.

ANNEX IV

MEMBERSHIP OF COMMITTEES OF THE BOARD

Committee on Commodities

<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1970	Iraq	1971
Australia	1971	Ireland	1969
Austria	1970	Italy	1969
Belgium	1970	Ivory Coast	1969
Bolivia	1971	Japan	1970
Brazil	1969	Madagascar	1969
Bulgaria	1971	Malaysia	1970
Canada	1969	Mali	1971
Ceylon	1969	Netherlands	1971
Chad	1970	Nigeria	1969
Colombia	1969	Norway	1970
Czechoslovakia	1970	Peru	1970
Denmark	1969	Philippines	1971
Ecuador	1970	Poland	1971
Ethiopia	1969	Republic of Viet-Nam	1970
Federal Republic of Germany	1969	Romania	1970
Finland	1971	Rwanda	1970
France	1971	Senegal	1971
Ghana	1969	Spain	1969
Guatemala	1971	Sweden	1971
Guinea	1971	Syria	1970
Hungary	1969	Thailand	1970
India	1970	Turkey	1970
Indonesia	1969	Uganda	1970
Iran	1971	Union of Soviet Socialist Republics	1969

Committee on Commodities

<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
United Arab Republic	1971	United States of America	1971
United Kingdom of Great Britain and Northern Ireland	1970	Uruguay	1969
		Venezuela	1971

Committee on Manufactures

<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Afghanistan	1971	Netherlands	1970
Algeria	1970	Nigeria	1971
Austria	1970	Norway	1970
Belgium	1969	Pakistan	1970
Brazil	1971	Philippines	1970
Bulgaria	1971	Poland	1971
Canada	1971	Republic of Korea	1969
Chile	1969	Romania	1970
Colombia	1970	Saudi Arabia	1970
Congo (Democratic Republic of)	1969	Senegal	1971
Czechoslovakia	1969	Spain	1969
Federal Republic of Germany	1969	Sweden	1971
France	1970	Switzerland	1971
Greece	1970	Trinidad and Tobago	1969
Guinea	1971	Uganda	1969
India	1970	Union of Soviet Socialist Republics	1969
Iran	1970	United Arab Republic	1969
Italy	1971	United Kingdom of Great Britain and Northern Ireland	1969
Ivory Coast	1969	United Republic of Tanzania	1971
Japan	1969	United States of America	1971
Madagascar	1969	Uruguay	1971
Malaysia	1971	Venezuela	1970
Mexico	1970		

Committee on Invisibles and
Financing related to Trade

<u>Membership 1969</u>	<u>Term of office expires on 31 December</u>	<u>Membership 1969</u>	<u>Term of office expires on 31 December</u>
Argentina	1971	Netherlands	1969
Australia	1970	Nigeria	1970
Belgium	1969	Pakistan	1970
Brazil	1969	Peru	1971
Bulgaria	1969	Poland	1969
Cameroon	1969	Republic of Korea	1969
Canada	1971	Republic of Viet-Nam	1971
Ceylon	1970	Romania	1971
Chile	1969	Spain	1971
Congo (Democratic Republic of)	1969	Sudan	1970
Denmark	1970	Sweden	1969
Ethiopia	1971	Switzerland	1969
Federal Republic of Germany	1971	Tunisia	1969
France	1970	Turkey	1970
Ghana	1971	Union of Soviet Socialist Republics	1970
Honduras	1970	United Arab Republic	1971
Hungary	1971	United Kingdom of Great Britain and Northern Ireland	1969
India	1969	United Republic of Tanzania	1970
Italy	1971	United States of America	1970
Japan	1971	Uruguay	1970
Kuwait	1971	Yugoslavia	1970
Lebanon	1969		
Mali	1971		
Mexico	1970		

Committee on Shipping

<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1969</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1970	Mali	1969
Australia	1970	Mexico	1971
Brazil	1971	Morocco	1969
Bulgaria	1970	Netherlands	1971
Canada	1970	New Zealand	1971
Chad	1971	Nicaragua	1970
Chile	1970	Nigeria	1970
Colombia	1969	Norway	1971
Czechoslovakia	1971	Pakistan	1969
Denmark	1971	Philippines	1969
Federal Republic of Germany	1970	Poland	1969
France	1971	Republic of Korea	1971
Ghana	1971	Senegal	1971
Greece	1969	Spain	1969
Hungary	1969	Sweden	1969
India	1971	Thailand	1971
Indonesia	1970	Uganda	1970
Iran	1969	Union of Soviet Socialist Republics	1971
Iraq	1969	United Arab Republic	1970
Italy	1969	United Kingdom of Great Britain and Northern Ireland	1970
Ivory Coast	1970	United States of America	1969
Japan	1970	Uruguay	1969
Liberia	1970		

ANNEX V

TEXTS OF CERTAIN PROPOSALS SUBMITTED DURING THE SEVENTH SESSION
OF THE TRADE AND DEVELOPMENT BOARD

- (a) Trade expansion, economic co-operation and regional integration among developing countries: institutional arrangements w/

Draft resolution submitted by Afghanistan, Algeria, Brazil, Chad, Chile, Colombia, Costa Rica, Ghana, Guatemala, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Madagascar, Malaysia, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Senegal, Syria, Tunisia, Uganda, Venezuela and Yugoslavia

[document TD/B/L.139]

The Trade and Development Board,

Determined to implement the Concerted Declaration on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries [resolution 23 (II) of the Conference],

Convinced that the United Nations Conference on Trade and Development has to play on a continuing basis an important role in this field,

Aware of the operational responsibilities in this field of the regional economic commissions, the United Nations Economic and Social Office in Beirut and other regional and subregional bodies,

Recalling that the Conference had agreed that before the end of 1968 appropriate institutional arrangements for continuing work on this subject on a permanent basis within the UNCTAD framework should be set up,

Taking note of document TD/B/183 submitted by the UNCTAD secretariat on "Possible institutional arrangements in the framework of UNCTAD for dealing with trade expansion, economic co-operation and regional integration among developing countries",

Reaffirming, in accordance with resolution 24 (II) of the Conference, that special support should be given to the least developed among developing countries in order to enable these countries to derive full and equitable benefits from the trade expansion, economic co-operation and regional integration among developing countries,

w/ Draft resolution withdrawn by its sponsors at the 173rd meeting of the Board on 21 September 1968 (see part two, para. 57, of the present report).

A. Machinery

1. Decides to establish institutional arrangements for continuing work on this subject on a permanent basis within the framework of UNCTAD in accordance with paragraph 23 of resolution 23 (II) of the Conference;

B. Work programme

2. Decides to call as soon as possible an intergovernmental group attended by all interested countries with a view to examining the outstanding questions in this field, including those which were raised by developing countries but not disposed of at the second session of the Conference, in order to examine, consider and recommend the ways and means for facilitating the implementation of the Concerted Declaration;

3. Requests the Secretary-General to invite the regional economic commissions, regional development banks, the United Nations Economic and Social Office in Beirut, international financial institutions and other regional bodies to participate in the meeting of the group;

4. Authorizes the Secretary-General to call governmental and, if necessary, intergovernmental expert groups with the task of preparing specific workable proposals in order to facilitate the group's deliberations on possible positive solutions;

5. Requests the Secretary-General to report the results of the meeting of the group to the ninth session of the Trade and Development Board;

6. Further authorizes the Secretary-General to convene working parties, when requested by groups of developing countries on the basis of concrete proposals evolved by them in the field of trade expansion, economic co-operation and integration, to consider the international support action, in accordance with the declaration of support by the developed countries. Such working parties shall be open to all interested developed countries;

7. Invites the Secretary-General of UNCTAD to facilitate the application of the developed countries' declaration of support to concrete proposals worked out by developing countries, by assisting in co-operation with the regional commissions and the United Nations Economic and Social Office in Beirut, interested groups of developing countries in presenting their case before working parties that may be set up;

C. Secretariat

8. Requests the UNCTAD secretariat to concentrate its research efforts in this field toward finding practical solutions for specific problems that tend to arise in trade expansion, economic co-operation and integration efforts among developing countries;

9. Requests the UNCTAD secretariat to regularly disseminate significant information and organize the exchange of experiences acquired in the various regions in dealing with practical problems arising in this field;

10. Commends to the attention of the appropriate technical assistance authorities of the United Nations the advisability of providing the UNCTAD secretariat with a nucleus of highly qualified inter-regional advisers to be put at the disposal of regional commissions, the United Nations Economic and Social Office in Beirut, and other regional and subregional bodies for short-term advisory services in the field of trade expansion and integration among developing countries;

11. Requests the UNCTAD secretariat to establish and keep up a roster of names of experts that could in principle be drawn upon with respect to specific problems arising in trade expansion and integration processes, and resort to the services of the UNCTAD/GATT International Trade Centre in the fields of its competence.

(b) Transfer of technology, including know-how and patents:
draft resolution on the establishment of an intergovernmental
committee transmitted by the United Nations Conference on
Trade and Development x/

Draft resolution submitted by Australia, Austria, Belgium, Canada,
Denmark, Federal Republic of Germany, Finland, France, Greece, Italy,
Japan, Netherlands, New Zealand, Spain, Sweden, Switzerland, United
Kingdom and United States of America

[document TD/B/SC.8/L.1]

The Trade and Development Board,

Recalling the decision of the second session of the United Nations Conference on Trade and Development of 25 March 1968 to transmit the draft resolution

x/ Draft resolution rejected by the Board at its 173rd meeting on 21 September 1968 by a roll-call vote of 24 to 18, with 6 abstentions (see part two, para. 90, of the present report).

Particulars of the vote:

In favour: Australia, Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Greece, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Against: Algeria, Brazil, Chad, Chile, Colombia, Costa Rica, Ghana, India, Indonesia, Iran, Iraq, Jamaica, Madagascar, Malaysia, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Senegal, Uganda.

Abstaining: Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Union of Soviet Socialist Republics.

contained in document TD/L.24 to the Trade and Development Board for consideration at the Board's seventh session,

Noting Economic and Social Council resolution 1361 (XLV) of 2 August 1968 in which the Secretary-General of the United Nations is requested to prepare, in consultation with the Secretary-General of UNCTAD and the heads of other appropriate organizations of the United Nations family, a report on how the activities in the field of transfer of science and technology could be more clearly defined, strengthened and co-ordinated,

Noting further that this report is to be presented to the Economic and Social Council at its forty-sixth session,

Convinced of the vital importance of facilitating the transfer of technology from developed countries to developing countries as a component of the general objective of applying science and technology to development,

1. Welcomes the Council's initiative in seeking ways of strengthening the activities of the United Nations family in this field;
2. Decides, in accordance with the recommendation of the Council, to consider again this item after it has had the opportunity to study the further report of the Secretary-General and the comments thereon by the Economic and Social Council at its forty-sixth session.

Part Three

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

Held at United Nations Headquarters, New York,
on 16 November 1967

REPORT OF THE BOARD ON ITS THIRD SPECIAL SESSION

1. On 16 October 1967, the representatives of five rubber-producing countries (Ceylon, Indonesia, Liberia, Malaysia and Thailand) submitted a request to the Secretary-General of UNCTAD that a special session of the Trade and Development Board be convened at the earliest possible date and that the agenda of the special session should be "the consideration of a recommendation to convene an international conference on rubber together with any preparatory meeting that might be required". ^{1/}
2. In accordance with rule 4 of the Board's rules of procedure, the President and all members of the Board were forthwith informed of the request for a special session. A majority of the members of the Board having supported the request for a special session, the session was convened at United Nations Headquarters, New York, on 16 November 1967.
3. Since the President of the Board, Mr. Paul R. Jolles (Switzerland), was unable to attend the session, he appointed, in accordance with rule 21 of the Board's rules of procedure, a Vice-President to take the Chair. The session was presided over by Mr. Börje F. Billner (Sweden).
4. The summary record of the session is contained in document TD/B/SR.153.
5. Since the Board's Rapporteur for 1967, Mr. Mateo J. Magariños de Mello (Uruguay), was unable to attend the session, the Board decided to designate Mr. Pedro P. Berro (Uruguay) as Rapporteur for its third special session.
6. The Board unanimously adopted the following agenda:
 1. Adoption of the agenda.
 2. Request addressed to the Secretary-General of UNCTAD to explore at the inter-governmental level the possibility of concerted action to deal with problems arising in international trade in rubber.
 3. Adoption of the report of the Trade and Development Board on its third special session.
7. The Board had before it a note by the Secretary-General of UNCTAD which gave a brief account of the current situation in the international trade in rubber and the recent action taken by the International Rubber Study Group in setting up a Consultative Committee designed "to consider problems of mutual concern to the natural and synthetic rubber-producing industries with particular regard to the present difficulties facing them and to make appropriate recommendations to the International Rubber Study Group". The note also contained suggestions as to possible future co-operation of UNCTAD with the International Rubber Study Group and FAO on problems arising in international trade in rubber.

^{1/} For text of the request, see annex I to the provisional agenda for the third special session (TD/B/160).

8. The representative of Pakistan proposed, and the Board agreed, to invite Liberia, Malaysia and Thailand to participate in its deliberations under the terms of rule 76 of its rules of procedure.

9. The Board had before it a draft resolution entitled "Concerted action to deal with problems arising in international trade in rubber" (TD/B/L.113 and Add.1) submitted by Argentina, Bolivia, Cameroon, Ceylon, Congo (Democratic Republic of), Ethiopia, Ghana, Guinea, India, Indonesia, Lebanon, Madagascar, Morocco, Nigeria, Pakistan, Philippines, United Arab Republic, United Republic of Tanzania, Uruguay and Yugoslavia. In the course of the meeting the following countries were added to the list of sponsors: Afghanistan, Chile, Dahomey, Ecuador, El Salvador, Honduras, Iran, Iraq, Mali and Mexico.

10. The Board heard statements by the Secretary-General of UNCTAD and by the representatives of Ceylon (who introduced the draft resolution), Indonesia, New Zealand, United Kingdom of Great Britain and Northern Ireland, United States of America, Japan, Malaysia, Thailand, Bolivia, India, Netherlands, France, Argentina, Ghana, Canada, Pakistan, Romania, Federal Republic of Germany, Brazil and the Philippines. Statements were also made by the observer from Guatemala and, under rule 78 of the Board's rules of procedure, by the representative of FAO.

11. At the conclusion of the general discussion the Board was informed by the Secretariat, in accordance with rule 31 of its rules of procedure, that the costs which could arise as a consequence of the adoption of the draft resolution contained in document TD/B/L.113 would be absorbed within existing budgetary appropriations. Should the rubber meeting be convened in 1967, the additional costs involved, namely temporary assistance required to supplement regular interpretation and translation staff, could be met by funds released as a result of the postponement of the exploratory meeting on copper foreseen in the 1967 calendar of meetings. Should the meeting be convened in 1968, the costs would be covered by the provision for expert groups made in the 1968 budget estimates.

12. The Board adopted the draft resolution without dissent.^{2/}

13. Having noted that the observations made by delegations in the general discussion would be recorded in the summary record of the meeting, the Board decided to empower the Rapporteur to prepare and finalize the report on its third special session.

^{2/} For text of the resolution, see annex to this part of the present report.

ANNEX

Resolution 40 (S-III). Concerted action to deal with problems arising in international trade in rubber

The Trade and Development Board,

Having met in third special session to consider the possibility of concerted action to deal with the problems confronting international trade in rubber,

Noting the serious plight of natural rubber-producing countries,

Bearing in mind the activities of the International Rubber Study Group and the terms of reference of the Consultative Committee recently set up by the Group to bring together producers of natural and synthetic rubber,

Noting further the close collaboration which has developed between the secretariats of the United Nations Conference on Trade and Development and the International Rubber Study Group in an approach to the international financial institutions for assistance in long-term efforts to reduce costs and in the study of problems related to the shipping of rubber, as well as in preparations for possible combined efforts,

Noting with satisfaction the efforts of the Secretary-General of UNCTAD to combine UNCTAD activities on rubber with those of the International Rubber Study Group,

1. Requests the Secretary-General of UNCTAD to arrange for such consultations and to convene such meetings as may be necessary to lead to concerted action, by Governments interested in the consumption of rubber, the production of natural rubber or the manufacture of synthetic rubber, to deal with both the short-term and long-term difficulties arising in international trade in rubber;
2. Urges the Secretary-General of UNCTAD to proceed as early as possible with such action;
3. Expresses the hope that in taking such action the Secretary-General of UNCTAD will continue to collaborate closely with the International Rubber Study Group and with the Food and Agriculture Organization of the United Nations and arrange such joint meetings as may seem appropriate.

153rd plenary meeting,
16 November 1967.

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre librairie ou adressez-vous à: Nations Unies, Section des ventes, New York ou Genève.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.