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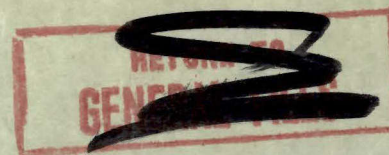
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CORRESPONDENCE WITH UNCTAD
REGARDING SHIPPING & INSURANCE
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PLEASE SEE VOLUME XI.

FORM NO. 92
(10-61)

IDA

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CORRESPONDENCE RECORD FORM

FROM

United Nations
New York

DATED

SUBJECT

Enclosing copy of the Trade & Development Board
Committee on Invisibles & Financing related to
Trade 2nd Session, N.Y. 4 Apri. 1967 } Provisional Agenda

Addressed and

REFERRED TO

Mr. Consolo

DATE RECEIVED

Feb. 28, 1967 mp

February 28, 1967

Dear Dr. Prebisch:

Mr. Woods has asked me to reply to your letters TDO 280(2nd) of February 21 and to thank you for having invited the World Bank Group to be represented at the Second Session of the Committee on Invisibles and Financing related to Trade, to be held in New York from April 4 to 19.

I am pleased to inform you that the Bank Group will be represented at the meeting. In order to decide on the actual representation, we await the arrival of the provisional agenda (TD/B/C.3/33).

Sincerely yours,

Federico Consolo
Special Representative
for
United Nations Organizations

Dr. Raul Prebisch
Secretary General
United Nations Conference
on Trade and Development
UNCTAD Liaison Office
United Nations, New York

cc: Messrs. Friedman/Kamarck with copy incoming correspondence
Mrs. Boskey
Mr. Steckhan
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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD PARIS

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS PARIS



EUROPEAN OFFICE:

4, AVENUE D'ÉNA, PARIS (16^E) - FRANCE

Telephone - 553-2510

February 27, 1967

Dear Dick:

Enclosed please find DAC Document UN(67)7 dated February 2, 1967, containing the "Annotated Provisional Agenda for the Second Meeting of the Committee on Invisibles and Financing" to be held in New York from 4th to 19th April, 1967. The items of most interest to the Bank are the following:

- Item 4 (b) : Problems of measuring the net flow of resources to developing countries.
- " 4(c) : Terms of Aid
- " 4 (d) : Debt Servicing Problems
- " 4 (e) : Suppliers' Credit
1. The IBRD study
 2. A study on export credits and development financing prepared by the U.N. Department of Economic and Social Affairs.
- " 4 (f) : Flow of private capital
- " 5. : Horowitz proposal
- " 8. : Supplementary financial measures.

With kind regards,

Sincerely yours,

D.H.

Arthur Karasz

Encls.

Mr. Richard H. Demuth, Director
Development Services Department
International Bank for
Reconstruction and Development
Washington, D.C.

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Washington, D.C.

Reconstruction and Development
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Mr. Richard H. Dennis, Director

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1967 MAR -3 AM 9:46

Encs.

ALFRED KATZ

D. H. H.

Sincerely yours,

With kind regards,

" 8. : Supplementarily financial measures.

" 2. : Monetary proposals

" 1 (1) : Flow of private capital

Social Affairs.

prepared by the U.N. Department of Economic and

5. A study on export credits and development financing

1. The IBRD study

" 1 (e) : Subjunctive, Credit

" 1 (g) : Debt servicing problems

" 1 (c) : Terms of Aid

developing countries.

Item 1 (p) : Problems of measuring the net flow of resources to

the following:

from to 1970 April, 1967. The items of most interest to the Bank are
the Committee on Inflation and Financing" to be held in New York from
containing the "Annotated Provisional Agenda for the Second Meeting of
Enclosed please find DAC Document M(67)1 dated February 5, 1967.

Dear Dick:

February 21, 1967

Telephone - 223-3210

4' ALEKSE D. IENY' BUKIS (DE) - RUSSIAN

ENKOBENI OFFICE:

С. И. А. Д. К. - ИНТЕРНАЦИОНАЛ

INTERNATIONAL DEVELOPMENT ASSOCIATION

С. И. А. Д. К. - ИНТЕРНАЦИОНАЛ

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



Washington, D.C., U.S.A.
H. E. H. H.

1967 MAR

Paris, 2nd February, 1967.

DAC/UN(67)7

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DEVELOPMENT ASSISTANCE COMMITTEE

Working Party on UNCTAD Issues

ANNOTATED PROVISIONAL AGENDA FOR THE SECOND MEETING
OF THE COMMITTEE ON INVISIBLES AND FINANCING

(Note by the Secretariat)

1. Attached is the annotated provisional agenda for the second meeting of the Committee on Invisibles and Financing related to Trade (TD/B/C.3, 27th January, 1967), to be held in New York from 4th to 19th April, 1967.

Distr.
GENERAL

TD/B/C.3/
27 January 1967

ORIGINAL: ENGLISH

TRADE AND DEVELOPMENT BOARD
Committee on Invisibles and Financing
related to Trade
Second session
New York, 4-19 April 1967

PROVISIONAL AGENDA

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. Consideration of the adequacy of the rates of growth achieved by the developing countries:
 - (a) Mobilization of internal resources and the flow of external assistance.
 - (b) Problems of measuring the net flow of resources to developing countries.
 - (c) The terms, co-ordination and effectiveness of aid.
 - (d) Problems of debt servicing.
 - (e) Suppliers' credit.
 - (f) Stimulation of the flow of private capital.
 - (g) Financing and Regional Development: Aspects of the expert group report entitled "Trade Expansion and Economic Co-operation among Developing Countries" (TD/B/68).
5. The Horowitz Proposal: Consideration of the report of the group of experts.

6. Further consideration of the Report of the Expert Group on International Monetary Issues (TD/B/32).
7. Report of the group of experts on payments arrangements among developing countries.
8. Supplementary financial measures.
9. Progress reports on the programme of work on invisibles(1).
 - (a) Insurance and reinsurance
 - (i) Report of the Expert Group on Reinsurance
 - (ii) Other activities
 - (b) Tourism
10. Provisional agenda, date and place of the third session of the Committee.
11. Adoption of the report of the Committee to the Trade and Development Board.
12. Any other business.

-
- (1) It is expected that the Committee may wish, as at its first session, to consider this item in a separate sessional sub-committee of the whole. It is hoped in this connection that the delegations to the session will include experts in the field of insurance, reinsurance and tourism respectively.

ANNOTATIONS TO THE PROVISIONAL AGENDA⁽¹⁾

Item 1: Opening of the session

Item 2: Election of officers

Rule 18 of the rules of procedure of the Committee (TD/B/63/Rev.1 - TD/B/C.3/16/Rev.1) states that "each year at the commencement of the first regular session, the Committee shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among its members. These officers shall constitute the Bureau of the Committee. In electing the officers, due account shall be taken of the need to ensure an equitable geographic distribution".

Rule 19.2 provides that "the offices of Chairman and Rapporteur of the Committee shall be subject to rotation among the groups on a seven-year cycle in accordance with the annex to these rules of procedure". In accordance with this provision, in the second year of the cycle the Chairman shall be a member of Group A or C and the Rapporteur shall be a member of Group D.

Item 3: Adoption of the agenda

At its resumed first session the Committee considered and noted this provisional agenda which was drawn up by the Secretary-General of the Conference in accordance with rule 8 of the Committee's rules of procedure.

Attention is drawn in this connection to certain decisions of the Trade and Development Board taken at its fourth session which are of direct concern to the Committees of the Board and to certain resolutions of the General Assembly adopted at its recent twenty-first session.

The Board requested the Secretary-General of UNCTAD to bring to the attention of the Committees of the Board the report entitled "Review of international trade and development 1966" (TD/B/82 and addenda and corrigenda)

(1) Documents listed in the annotations are those most directly related to the discussion of the items of the provisional agenda. A list of additional background documents is found in Annex B. Only documents which have been issued or are in final stages of preparation are included in the annotations and Annex B thereof.

as well as the summary records (TD/B/SR.92-101, 103, 104 and 115) of the discussions at the fourth session of the Board on agenda item 3 (Review of the implementation of the recommendations of the first Conference) and the report of the Board on that session. The Board's intention was to enable the Committees to review and assess the implementation of the recommendations of the first session of the Conference in accordance with their terms of reference and to consider the line of further action necessary to facilitate their task of assisting the Board in the preparation of the second Conference (see A/6315, Part Two, para. 46). General Assembly resolution 2209 (XXI) also deals with the implementation of the recommendations of the first session of UNCTAD and the Committee's attention is drawn in particular to operative paragraph 3 of that resolution.

With regard to the draft provisional agenda for the second session of the Conference, the Board agreed that it should be forwarded to the subsidiary bodies of the Board as a basis for the preparation of the second Conference, and for such comments, observations or recommendations as they might wish to submit to the fifth session of the Board (see A/6315, Part Two, para. 72). In this connection, attention is also drawn to General Assembly resolution 2206 (XXI), operative paragraph 2 of which calls upon the Board and its subsidiary bodies to take into account the objectives outlined in the first three paragraphs of the preamble of that resolution in their preparations for the second session of the Conference, and to attempt to identify the issues on which preparatory work will have progressed sufficiently to enable specific programmes of action to be drawn up at the Conference by means of negotiation aimed at securing the greatest possible measure of agreement. For the convenience of the Committee the draft provisional agenda of the second Conference is annexed to this document; where relevant, a concordance of the provisional agenda of the Committee with that of the second Conference is provided.

Item 4: Consideration of the adequacy of the rates of growth achieved by the developing countries

Item 4 (a): Mobilization of internal resources and the flow of external assistance

A survey prepared by the UNCTAD Secretariat entitled "Mobilization of Internal Resources by Developing Countries" (TD/B/C.3/28) reviews the efforts of developing countries to accelerate their growth by action in such fields as capital formation, promotion of domestic

savings, agricultural development, education and the planning process. A summary by the Food and Agriculture Organisation of the United Nations of The State of Food and Agriculture, 1965 (TD/B/C.3/L. ...) considers in more detail the development of the agricultural sector in the past decade.

A further paper prepared by the UNCTAD Secretariat entitled "Growth and External Development Finance" (TD/B/C.3/34) examines the growth rates achieved by the developing countries in the first half of the Development Decade and the net flows of financial resources to these countries including multilateral, bilateral and private flows. The paper also discusses total net flows in terms of the development assistance target established by the General Assembly and the first session of UNCTAD.

The Committee's attention is drawn to Economic and Social Council resolution 1183 (XLI) on the "Flow of external resources to developing countries" in which the Secretary-General of the United Nations was requested, inter alia, to undertake "in consultation with the United Nations Conference on Trade and Development, the International Monetary Fund, the International Bank for Reconstruction and Development and such other organizations as he considers necessary, a study on: (i) Economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries in accordance with the relevant recommendations contained in the Final Act of the United Nations Conference on Trade and Development, particularly its annex A.IV.2, taking into account the increase in the national income of the developed countries" (see para. 5 (b) (i)).

In the same resolution the Council expressed "the wish that the United Nations Conference on Trade and Development continue to give special attention, within the field of its competence, to the problems of financing economic development in developing countries".

This Council resolution was endorsed by the General Assembly in its resolution 2170 (XXI); the Assembly further decided to consider at its twenty-second session the reports to be prepared by the Secretary-General in response to the Council resolution.

In resolution 2186 (XXI) the General Assembly decided to bring into operation the United Nations Capital Development Fund whose purpose is to assist developing countries in the development of their economies by supplementing existing sources of capital

assistance by means of grants and loans, particularly long-term loans made free of interest or at low interest rates. Such assistance is to be directed towards the achievement of the accelerated and self-sustained growth of the economies of those countries and is to be oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for economic and social progress.

A paper prepared for UNCTAD by Professor F.G. Adams of the University of Pennsylvania entitled "Alternative Projections of the Foreign Exchange 'Gap': A Reconciliation" (TD/B/C.3/30) reviews and compares the various estimates that have been made of capital requirements of developing countries. Further, a paper prepared by the UNCTAD Secretariat entitled "External Resource Requirements of Developing Countries" (TD/B/...) deals with the issues involved in estimating such resource requirements, based on secretariat studies of a number of individual developing countries.

Item 4 (b): Problems of measuring the net flow of resources to developing countries

The General Assembly at its eighteenth session adopted resolution 1938 (XVIII) in which it requested the Secretary-General to review, with the assistance of experts, the conceptual and methodological problems posed in recent reports on the international flow of long-term capital and official donations. The Secretary-General, after reviewing the problem in document A/5732, convened an expert group which submitted an interim report entitled "The Measurement of the Flow of Resources from Developed Market Economies to the Developing Countries" (E/4171) to the Economic and Social Council at its forty-first session. The Council, in its resolution 1184 (XLI), requested the Secretary-General to invite the expert group to submit a final report in time for the forty-third session of the Council. The Council's resolution was endorsed by the General Assembly in its resolution 2169 (XXI).

The group will be convened in New York on 27 February, 1967.

Item 4 (c): The terms, co-ordination and effectiveness of aid and

Item 4 (d): Problems of debt servicing

For the consideration of these items the Committee will have before it two papers prepared by the UNCTAD Secretariat. The first is entitled "The Terms, Quality and Effectiveness of Financial Flows and Problems of Debt Servicing" (TD/B/C.3/35). This paper considers

recent trends in the terms and conditions of development assistance, and in debt servicing. It also discusses possibilities for improving these terms and conditions. Projections of debt and debt service payments are presented by the UNCTAD Secretariat in a paper entitled "The Outlook for Debt Service" (TD/B/C.3/36).

A study has been prepared by Mr. John Pincus (TD/B/C.3) examining the various forms of financial flows in terms of the real resource cost to donor countries and the real benefits to recipient countries.

Economic and Social Council resolution 1183 (XLI) mentioned under item 4 (a) above also requests the Secretary-General to study, in consultation with UNCTAD, the progress made by individual developed countries in the implementation of the resolution concerning the minimum acceptable terms of aid.

Item 4 (e): Suppliers' credit

This item is on the provisional agenda of the Committee in accordance with annex A.IV.14 to the Final Act of the first session of UNCTAD and resolution 26 (III) adopted by the third session of the Trade and Development Board (A/6315), Part One, annex A). As a basis for its discussion the Committee is expected to have before it (i) a study prepared by the staff of the World Bank entitled "Suppliers' Credits from Industrialized to Developing Countries" which will be distributed as document TD/B/C.3/..., and (ii) a study prepared by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs entitled Export Credits and Development Financing, E/4274 (United Nations publication, Sales No.: 67.II.D.1).

Item 4 (f): Stimulation of the flow of private capital

In response to annex A.IV.12 to the Final Act of the first session of UNCTAD, the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs has prepared a study entitled The Promotion of Private Foreign Investment in Developing Countries (E/4295), a summary of which is circulated as document TD/B/C.3/... .

Among the measures to stimulate the flow of private capital is a multilateral investment insurance scheme which is under study by the World Bank. A progress report on this subject was distributed as document TD/B/55, to which was appended a summary of a

draft of a multilateral investment insurance scheme prepared by the Organisation for Economic Co-operation and Development. A second progress report by the World Bank dated 27 July, 1966 is contained in document TD/B/98. The representative of the World Bank will be ready to bring these progress reports up to date in an oral statement to the Committee.

Item 4 (g): Financing and Regional Development:
Aspects of the expert group report entitled
"Trade Expansion and Economic Co-operation
among Developing Countries" (TD/B/68)

The expert group report (TD/B/68) deals briefly with this subject in paragraphs 38, 43, 48, 51, 58 and 87. A study prepared by the Secretariat of UNCTAD (TD/B/85) also refers to these issues in Section III, paragraphs 66-68, 118-128, 177-178 and Section VII, paragraphs 19-23, 30-39. A further study on this subject is being carried out by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs and the UNCTAD Secretariat. This study is expected to be available for the second Conference.

Item 5: The Horowitz Proposal: Consideration of the report
of the group of experts

The Committee had before it at its first session a report on the Horowitz Proposal by the staff of the World Bank (TD/B/C.3/1). At that session the Committee requested the Secretary-General of UNCTAD to appoint a group of experts to consider the economic and financial problems involved (see TD/B/42, annex Ic, item G).

The group of experts met in New York from 25 to 29 April, 1966. Its report is contained in document TD/B/C.3/23.

Item 6: Further consideration of the Report of the Expert Group
on International Monetary Issues (TD/B/32)

In accordance with resolution 2208 (XXI) of the General Assembly, the Secretary-General of UNCTAD will present a report to the Board through the Committee on the progress of activity relating to international monetary reform (TD/B/C.3/...). The Committee will also have before it two communiqués of ministerial meetings of the Group of Ten (TD/B/93 and TD/B/...).

In connection with recommendation A.IV.17 of the first session of UNCTAD and the discussion of this matter by the Expert Group on International Monetary Issues (TD/B/32, paras. 56 and 57), the International Monetary Fund made a change in its compensatory financing facility. An account of the change is given in the second report of the International Monetary Fund on Compensatory Financing of Export Fluctuations (TD/B/C.3/L.).

Item 7: Report of the group of experts on payments arrangements among developing countries

In accordance with annex A.IV.19 to the Final Act of the first session of UNCTAD, the Secretary-General convened a group of experts to consider this subject. The group met in New York from 20 June to 3 July, 1966, and prepared a report entitled "Payments Arrangements among the Developing Countries for Trade Expansion" (TD/B/80).

The Committee also has before it a survey of past experience in this field included in "Payments Arrangements among Developing Countries" (TD/B/C.3/32) prepared by the UNCTAD Secretariat.

Item 8: Supplementary Financial Measures

At its resumed first session the Committee considered the study of the staff of the World Bank on supplementary financial measures (TD/B/43).

The Committee decided, subject to the approval of the Board, to establish an Inter-governmental Group on Supplementary Financing (TD/B/73, Annex A). This decision was approved by the Board at its fourth session (A/6315, Part Two, paragraph 147). The first session of this Group took place in Geneva from 10-14 October, 1966. The second session is scheduled to take place in Geneva for two weeks, beginning 6 February, 1967, and the Group will then report to the Committee.

Item 9: Progress reports on the programme of work on invisibles

/To be prepared by Mr. Malinowski/

Item 10: Provisional agenda, date and place of the
third session of the Committee

Rule 8 of the Committee's rules of procedure provides for the drawing up by the Secretary-General of UNCTAD and submission at each regular session of a provisional agenda for the following regular session. In view of the fact that the second session of the Conference will take place before the third session of the Committee, the Committee may wish to provide for the preparation of a suitable draft provisional agenda for the Committee's third session in the light of the results of the second session of the Conference.

The date and place of the third session of the Committee might be left open for the Board or the Conference to decide.

Item 11: Adoption of the report of the Committee to the
Trade and Development Board

Item 12: Any other business

ANNEX A

Draft provisional agenda for the second session
of the Conference

Item under which
subject might be
taken up in the
provisional
agenda

I. Trends and problems in world trade and development

(a) Review of recent developments and long-term trends, implementation of the recommendations and other provisions of the Final Act of the first Conference - consideration of further action.

(b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development (see annexes A.I.1; A.I.2 and A.I.3 of the Final Act of UNCTAD, 1964).

(c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.

(d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.

II. Commodity problems and policies

(a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first Conference.

(b) Main elements of commodity policy including international arrangements and other techniques of commodity market stabilization.^{1/}

(i) operation and financing of buffer stocks;

^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

Item under which
subject might be
taken up in the
provisional
agenda

(ii) role and financing of diversification programmes;

(iii) basic principles and guidelines for pricing policy designed to maximise receipts from export of primary commodities.

(c) Programme for the liberalisation and expansion of trade in commodities of interest to developing countries.

III. Expansion and diversification of export of manufactures and semi-manufactures of developing countries

(a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first Conference.

(b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.

(c) Programme for the liberalisation and expansion of trade in manufactures and semi-manufactures of interest to developing countries.

(d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export-oriented industries in developing countries; other forms of economic, industrial and technical co-operation.

(e) Arrangements leading to the reshaping of the existing international division of labour.

IV. Growth, development finance and aid (synchronisation of international and national policies)

(a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first Conference.

4 (a)

(b) Financial resources and requirements of developing countries.

Item under which
subject might be
taken up in the
provisional
agenda

- (i) measures for increasing the flow of international public and private capital to developing countries; 4 (a), (e) and (f) and 5
- (ii) measures for improving the terms and conditions of aid; 4 (c)
- (iii) measures for dealing with the problem of international indebtedness. 4 (d)
- (c) Supplementary financial measures. 8
- (d) Compensatory financing.^{2/} 6
- (e) Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries. 6

V. Problems of developing countries in regard to invisibles including shipping (To be prepared by Mr. Malinowski)

(a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the first Conference.

(b) Level and structure of freight rates, Conference practices and adequacy of shipping services - progress report on studies by the Secretariat.

(c) Shipping industry in developing countries including expansion of merchant marines of developing countries.

(d) Consultation machinery in shipping.

(e) Port improvements. Progress report on studies by the Secretariat.

(f) International legislation on shipping.

(g) Transfer of technology, including know-how and patents.

^{2/} Reservation entered by Group B concerning the need for a specific sub-item on this subject.

Item under which
subject might be
taken up in the
provisional
agenda

VI. Trade expansion and economic integration among developing countries, measures to be taken by developing and developed countries - including regional, sub-regional and inter-regional arrangements 4 (g) and 7^{3/}

VII. Special measures to be taken in favour of the least developed among the developing countries aimed at expanding their trade and improving their economic and social development

VIII. General review of the work of UNCTAD

(a) Activities of the organs of the Conference.

(b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

3/ Only partial discussion of this subject is contemplated by the Committee.

ANNEX B

Background documentation

Agenda item

- 4 Consideration of the adequacy of rates of growth achieved by the developing countries
- (1) World Economic Survey, 1965 prepared by the Centre for Development Planning Projections and Policies.
- (a) Part I - The Financing of Economic Development (E/4187/Rev.1 or United Nations publication, Sales No.: 66.II.C.1).
- (b) Part II - Current Economic Developments (E/4221/Rev.1 or United Nations publication, Sales No.: 66.II.C.2).
- (2) Development Assistance Efforts and Policies, 1966 Review by the Chairman of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (TD/B/C.3/L. ...).
- 4 (a) Mobilisation of internal resources and the flow of external assistance
- (3) International Flow of Long-term Capital and Official Donations, 1961-1965 (TD/B/C.3/L. ...; original United Nations publication, Sales No.: 66.II.D.3 or E/4170 and Add. 1 and 2).
- 4 (c) The terms, co-ordination and effectiveness of aid
- (4) Aid Co-ordination paper by Mr. M. Hoffman of the International Bank for Reconstruction and Development presented to the Ditchley Conference on Improving the Effectiveness of Aid for Overseas Development (TD/B/C.3/L. ...).
- 4 (f) Stimulation of the flow of private capital
- (5) "Multilateral Investment Guarantees", a statement prepared by the International Chamber of Commerce for ECOSOC (E/C.2/640) and for UNCTAD (TD/B/C.3/NGO/3).

Agenda item

6 Further consideration of the Report of the Expert Group on International Monetary Issues

- (6) "Communiqué of Ministers and Governors and Report of Deputies" by the Group of Ten (TD/B/C.3/L.).
- (7) "International Monetary Reform and Latin America - Report of the CIAP Group of Experts" issued by the Inter-American Economic and Social Council (CIES/892) distributed as document TD/B/C.3/L.
- (8) "International Monetary Reform" a resolution adopted by the International Confederation of Free Trade Unions (TD/B/C.3/NGO/....).

8 Supplementary financial measures

- (9) Compensatory Financing of Export Fluctuations - second report by the International Monetary Fund (TD/B/C.3/L.). The report is included as a discussion document under item 6 of the provisional agenda.

x x x

The following documents will be available for convenient reference by members of the Committee in the conference room:

1. The State of Food and Agriculture - two annual reports by the Food and Agriculture Organisation of the United Nations for the years 1965 and 1966.
2. 1965-1966 Annual Report by the International Bank for Reconstruction and Development and the International Development Association.
3. 1966 Annual Report by the International Monetary Fund.

Paris, 2nd February, 1967.

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DEVELOPMENT ASSISTANCE COMMITTEE

Working Party on UNCTAD Issues

ANNOTATED PROVISIONAL AGENDA FOR THE SECOND MEETING
OF THE COMMITTEE ON INVISIBLES AND FINANCING

(Note by the Secretariat)

1. Attached is the annotated provisional agenda for the second meeting of the Committee on Invisibles and Financing related to Trade (TD/B/C.3, 27th January, 1967), to be held in New York from 4th to 19th April, 1967.

Distr.

GENERAL

TD/B/C.3/

27 January 1967

ORIGINAL: ENGLISH

TRADE AND DEVELOPMENT BOARD
Committee on Invisibles and Financing
related to Trade
Second session
New York, 4-19 April 1967

PROVISIONAL AGENDA

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. Consideration of the adequacy of the rates of growth achieved by the developing countries:
 - (a) Mobilization of internal resources and the flow of external assistance.
 - (b) Problems of measuring the net flow of resources to developing countries.
 - (c) The terms, co-ordination and effectiveness of aid.
 - (d) Problems of debt servicing.
 - (e) Suppliers' credit.
 - (f) Stimulation of the flow of private capital.
 - (g) Financing and Regional Development: Aspects of the expert group report entitled "Trade Expansion and Economic Co-operation among Developing Countries" (TD/B/68).
5. The Horowitz Proposal: Consideration of the report of the group of experts.

6. Further consideration of the Report of the Expert Group on International Monetary Issues (TD/B/32).
7. Report of the group of experts on payments arrangements among developing countries.
8. Supplementary financial measures.
9. Progress reports on the programme of work on invisibles(1).
 - (a) Insurance and reinsurance
 - (i) Report of the Expert Group on Reinsurance
 - (ii) Other activities
 - (b) Tourism
10. Provisional agenda, date and place of the third session of the Committee.
11. Adoption of the report of the Committee to the Trade and Development Board.
12. Any other business.

-
- (1) It is expected that the Committee may wish, as at its first session, to consider this item in a separate sessional sub-committee of the whole. It is hoped in this connection that the delegations to the session will include experts in the field of insurance, reinsurance and tourism respectively.

ANNOTATIONS TO THE PROVISIONAL AGENDA⁽¹⁾

Item 1: Opening of the session

Item 2: Election of officers

Rule 18 of the rules of procedure of the Committee (TD/B/63/Rev.1 - TD/B/C.3/16/Rev.1) states that "each year at the commencement of the first regular session, the Committee shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among its members. These officers shall constitute the Bureau of the Committee. In electing the officers, due account shall be taken of the need to ensure an equitable geographic distribution".

Rule 19.2 provides that "the offices of Chairman and Rapporteur of the Committee shall be subject to rotation among the groups on a seven-year cycle in accordance with the annex to these rules of procedure". In accordance with this provision, in the second year of the cycle the Chairman shall be a member of Group A or C and the Rapporteur shall be a member of Group D.

Item 3: Adoption of the agenda

At its resumed first session the Committee considered and noted this provisional agenda which was drawn up by the Secretary-General of the Conference in accordance with rule 8 of the Committee's rules of procedure.

Attention is drawn in this connection to certain decisions of the Trade and Development Board taken at its fourth session which are of direct concern to the Committees of the Board and to certain resolutions of the General Assembly adopted at its recent twenty-first session.

The Board requested the Secretary-General of UNCTAD to bring to the attention of the Committees of the Board the report entitled "Review of international trade and development 1966" (TD/B/82 and addenda and corrigenda)

(1) Documents listed in the annotations are those most directly related to the discussion of the items of the provisional agenda. A list of additional background documents is found in Annex B. Only documents which have been issued or are in final stages of preparation are included in the annotations and Annex B thereof.

as well as the summary records (TD/B/SR.92-101, 103, 104 and 115) of the discussions at the fourth session of the Board on agenda item 3 (Review of the implementation of the recommendations of the first Conference) and the report of the Board on that session. The Board's intention was to enable the Committees to review and assess the implementation of the recommendations of the first session of the Conference in accordance with their terms of reference and to consider the line of further action necessary to facilitate their task of assisting the Board in the preparation of the second Conference (see A/6315, Part Two, para. 46). General Assembly resolution 2209 (XXI) also deals with the implementation of the recommendations of the first session of UNCTAD and the Committee's attention is drawn in particular to operative paragraph 3 of that resolution.

With regard to the draft provisional agenda for the second session of the Conference, the Board agreed that it should be forwarded to the subsidiary bodies of the Board as a basis for the preparation of the second Conference, and for such comments, observations or recommendations as they might wish to submit to the fifth session of the Board (see A/6315, Part Two, para. 72). In this connection, attention is also drawn to General Assembly resolution 2206 (XXI), operative paragraph 2 of which calls upon the Board and its subsidiary bodies to take into account the objectives outlined in the first three paragraphs of the preamble of that resolution in their preparations for the second session of the Conference, and to attempt to identify the issues on which preparatory work will have progressed sufficiently to enable specific programmes of action to be drawn up at the Conference by means of negotiation aimed at securing the greatest possible measure of agreement. For the convenience of the Committee the draft provisional agenda of the second Conference is annexed to this document; where relevant, a concordance of the provisional agenda of the Committee with that of the second Conference is provided.

Item 4: Consideration of the adequacy of the rates of growth achieved by the developing countries

Item 4 (a): Mobilization of internal resources and the flow of external assistance

A survey prepared by the UNCTAD Secretariat entitled "Mobilization of Internal Resources by Developing Countries" (TD/B/C.3/28) reviews the efforts of developing countries to accelerate their growth by action in such fields as capital formation, promotion of domestic

savings, agricultural development, education and the planning process. A summary by the Food and Agriculture Organisation of the United Nations of The State of Food and Agriculture, 1965 (TD/B/C.3/L. ...) considers in more detail the development of the agricultural sector in the past decade.

A further paper prepared by the UNCTAD Secretariat entitled "Growth and External Development Finance" (TD/B/C.3/34) examines the growth rates achieved by the developing countries in the first half of the Development Decade and the net flows of financial resources to these countries including multilateral, bilateral and private flows. The paper also discusses total net flows in terms of the development assistance target established by the General Assembly and the first session of UNCTAD.

The Committee's attention is drawn to Economic and Social Council resolution 1183 (XLI) on the "Flow of external resources to developing countries" in which the Secretary-General of the United Nations was requested, inter alia, to undertake "in consultation with the United Nations Conference on Trade and Development, the International Monetary Fund, the International Bank for Reconstruction and Development and such other organizations as he considers necessary, a study on: (i) Economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries in accordance with the relevant recommendations contained in the Final Act of the United Nations Conference on Trade and Development, particularly its annex A.IV.2, taking into account the increase in the national income of the developed countries" (see para. 5 (b) (i)).

In the same resolution the Council expressed "the wish that the United Nations Conference on Trade and Development continue to give special attention, within the field of its competence, to the problems of financing economic development in developing countries".

This Council resolution was endorsed by the General Assembly in its resolution 2170 (XXI); the Assembly further decided to consider at its twenty-second session the reports to be prepared by the Secretary-General in response to the Council resolution.

In resolution 2186 (XXI) the General Assembly decided to bring into operation the United Nations Capital Development Fund whose purpose is to assist developing countries in the development of their economies by supplementing existing sources of capital

assistance by means of grants and loans, particularly long-term loans made free of interest or at low interest rates. Such assistance is to be directed towards the achievement of the accelerated and self-sustained growth of the economies of those countries and is to be oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for economic and social progress.

A paper prepared for UNCTAD by Professor F.G. Adams of the University of Pennsylvania entitled "Alternative Projections of the Foreign Exchange 'Gap': A Reconciliation" (TD/B/C.3/30) reviews and compares the various estimates that have been made of capital requirements of developing countries. Further, a paper prepared by the UNCTAD Secretariat entitled "External Resource Requirements of Developing Countries" (TD/B/...) deals with the issues involved in estimating such resource requirements, based on secretariat studies of a number of individual developing countries.

Item 4 (b): Problems of measuring the net flow of resources to developing countries

The General Assembly at its eighteenth session adopted resolution 1938 (XVIII) in which it requested the Secretary-General to review, with the assistance of experts, the conceptual and methodological problems posed in recent reports on the international flow of long-term capital and official donations. The Secretary-General, after reviewing the problem in document A/5732, convened an expert group which submitted an interim report entitled "The Measurement of the Flow of Resources from Developed Market Economies to the Developing Countries" (E/4171) to the Economic and Social Council at its forty-first session. The Council, in its resolution 1184 (XLI), requested the Secretary-General to invite the expert group to submit a final report in time for the forty-third session of the Council. The Council's resolution was endorsed by the General Assembly in its resolution 2169 (XXI).

The group will be convened in New York on 27 February, 1967.

Item 4 (c): The terms, co-ordination and effectiveness of aid and

Item 4 (d): Problems of debt servicing

For the consideration of these items the Committee will have before it two papers prepared by the UNCTAD Secretariat. The first is entitled "The Terms, Quality and Effectiveness of Financial Flows and Problems of Debt Servicing" (TD/B/C.3/35). This paper considers

recent trends in the terms and conditions of development assistance, and in debt servicing. It also discusses possibilities for improving these terms and conditions. Projections of debt and debt service payments are presented by the UNCTAD Secretariat in a paper entitled "The Outlook for Debt Service" (TD/B/C.3/36).

A study has been prepared by Mr. John Pincus (TD/B/C.3) examining the various forms of financial flows in terms of the real resource cost to donor countries and the real benefits to recipient countries.

Economic and Social Council resolution 1183 (XLI) mentioned under item 4 (a) above also requests the Secretary-General to study, in consultation with UNCTAD, the progress made by individual developed countries in the implementation of the resolution concerning the minimum acceptable terms of aid.

Item 4 (e): Suppliers' credit

This item is on the provisional agenda of the Committee in accordance with annex A.IV.14 to the Final Act of the first session of UNCTAD and resolution 26 (III) adopted by the third session of the Trade and Development Board (A/6315), Part One, annex A). As a basis for its discussion the Committee is expected to have before it (i) a study prepared by the staff of the World Bank entitled "Suppliers' Credits from Industrialized to Developing Countries" which will be distributed as document TD/B/C.3/..., and (ii) a study prepared by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs entitled Export Credits and Development Financing, E/4274 (United Nations publication, Sales No.: 67.II.D.1).

Item 4 (f): Stimulation of the flow of private capital

In response to annex A.IV.12 to the Final Act of the first session of UNCTAD, the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs has prepared a study entitled The Promotion of Private Foreign Investment in Developing Countries (E/4295), a summary of which is circulated as document TD/B/C.3/...

Among the measures to stimulate the flow of private capital is a multilateral investment insurance scheme which is under study by the World Bank. A progress report on this subject was distributed as document TD/B/55, to which was appended a summary of a

draft of a multilateral investment insurance scheme prepared by the Organisation for Economic Co-operation and Development. A second progress report by the World Bank dated 27 July, 1966 is contained in document TD/B/98. The representative of the World Bank will be ready to bring these progress reports up to date in an oral statement to the Committee.

Item 4 (g): Financing and Regional Development:

Aspects of the expert group report entitled "Trade Expansion and Economic Co-operation among Developing Countries" (TD/B/68)

The expert group report (TD/B/68) deals briefly with this subject in paragraphs 38, 43, 48, 51, 58 and 87. A study prepared by the Secretariat of UNCTAD (TD/B/85) also refers to these issues in Section III, paragraphs 66-68, 118-128, 177-178 and Section VII, paragraphs 19-23, 30-39. A further study on this subject is being carried out by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs and the UNCTAD Secretariat. This study is expected to be available for the second Conference.

Item 5: The Horowitz Proposal: Consideration of the report of the group of experts

The Committee had before it at its first session a report on the Horowitz Proposal by the staff of the World Bank (TD/B/C.3/1). At that session the Committee requested the Secretary-General of UNCTAD to appoint a group of experts to consider the economic and financial problems involved (see TD/B/42, annex Ic, item G).

The group of experts met in New York from 25 to 29 April, 1966. Its report is contained in document TD/B/C.3/23.

Item 6: Further consideration of the Report of the Expert Group on International Monetary Issues (TD/B/32)

In accordance with resolution 2208 (XXI) of the General Assembly, the Secretary-General of UNCTAD will present a report to the Board through the Committee on the progress of activity relating to international monetary reform (TD/B/C.3/...). The Committee will also have before it two communiqués of ministerial meetings of the Group of Ten (TD/B/93 and TD/B/....).

In connection with recommendation A.IV.17 of the first session of UNCTAD and the discussion of this matter by the Expert Group on International Monetary Issues (TD/B/32, paras. 56 and 57), the International Monetary Fund made a change in its compensatory financing facility. An account of the change is given in the second report of the International Monetary Fund on Compensatory Financing of Export Fluctuations (TD/B/C.3/L.).

Item 7: Report of the group of experts on payments arrangements among developing countries

In accordance with annex A.IV.19 to the Final Act of the first session of UNCTAD, the Secretary-General convened a group of experts to consider this subject. The group met in New York from 20 June to 3 July, 1966, and prepared a report entitled "Payments Arrangements among the Developing Countries for Trade Expansion" (TD/B/80).

The Committee also has before it a survey of past experience in this field included in "Payments Arrangements among Developing Countries" (TD/B/C.3/32) prepared by the UNCTAD Secretariat.

Item 8: Supplementary Financial Measures

At its resumed first session the Committee considered the study of the staff of the World Bank on supplementary financial measures (TD/B/43).

The Committee decided, subject to the approval of the Board, to establish an Inter-governmental Group on Supplementary Financing (TD/B/73, Annex A). This decision was approved by the Board at its fourth session (A/6315, Part Two, paragraph 147). The first session of this Group took place in Geneva from 10-14 October, 1966. The second session is scheduled to take place in Geneva for two weeks, beginning 6 February, 1967, and the Group will then report to the Committee.

Item 9: Progress reports on the programme of work on invisibles

/To be prepared by Mr. Malinowski/

Item 10: Provisional agenda, date and place of the
third session of the Committee

Rule 8 of the Committee's rules of procedure provides for the drawing up by the Secretary-General of UNCTAD and submission at each regular session of a provisional agenda for the following regular session. In view of the fact that the second session of the Conference will take place before the third session of the Committee, the Committee may wish to provide for the preparation of a suitable draft provisional agenda for the Committee's third session in the light of the results of the second session of the Conference.

The date and place of the third session of the Committee might be left open for the Board or the Conference to decide.

Item 11: Adoption of the report of the Committee to the
Trade and Development Board

Item 12: Any other business

ANNEX A

Draft provisional agenda for the second session
of the Conference

Item under which
subject might be
taken up in the
provisional
agenda

I. Trends and problems in world trade and development

(a) Review of recent developments and long-term trends, implementation of the recommendations and other provisions of the Final Act of the first Conference - consideration of further action.

(b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development (see annexes A.I.1; A.I.2 and A.I.3 of the Final Act of UNCTAD, 1964).

(c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.

(d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.

II. Commodity problems and policies

(a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first Conference.

(b) Main elements of commodity policy including international arrangements and other techniques of commodity market stabilization.^{1/}

(i) operation and financing of buffer stocks;

^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

Item under which
subject might be
taken up in the
provisional
agenda

- (ii) role and financing of diversification programmes;
- (iii) basic principles and guidelines for pricing policy designed to maximise receipts from export of primary commodities.

(c) Programme for the liberalisation and expansion of trade in commodities of interest to developing countries.

III. Expansion and diversification of export of manufactures and semi-manufactures of developing countries

(a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first Conference.

(b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.

(c) Programme for the liberalisation and expansion of trade in manufactures and semi-manufactures of interest to developing countries.

(d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export-oriented industries in developing countries; other forms of economic, industrial and technical co-operation.

(e) Arrangements leading to the reshaping of the existing international division of labour.

IV. Growth, development finance and aid (synchronisation of international and national policies)

(a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first Conference. 4 (a)

(b) Financial resources and requirements of developing countries.

Item under which
subject might be
taken up in the
provisional
agenda

- (i) measures for increasing the flow of international public and private capital to developing countries; 4 (a), (e) and (f) and 5
- (ii) measures for improving the terms and conditions of aid; 4 (c)
- (iii) measures for dealing with the problem of international indebtedness. 4 (d)
- (c) Supplementary financial measures. 8
- (d) Compensatory financing. ^{2/} 6
- (e) Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries. 6

V. Problems of developing countries in regard to invisibles including shipping

(To be prepared by Mr. Malinowski)

- (a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the first Conference.
- (b) Level and structure of freight rates, Conference practices and adequacy of shipping services - progress report on studies by the Secretariat.
- (c) Shipping industry in developing countries including expansion of merchant marines of developing countries.
- (d) Consultation machinery in shipping.
- (e) Port improvements. Progress report on studies by the Secretariat.
- (f) International legislation on shipping.
- (g) Transfer of technology, including know-how and patents.

^{2/} Reservation entered by Group B concerning the need for a specific sub-item on this subject.

Item under which
subject might be
taken up in the
provisional
agenda

VI. Trade expansion and economic integration among developing countries, measures to be taken by developing and developed countries - including regional, sub-regional and inter-regional arrangements 4 (g) and 7^{3/}

VII. Special measures to be taken in favour of the least developed among the developing countries aimed at expanding their trade and improving their economic and social development

VIII. General review of the work of UNCTAD

(a) Activities of the organs of the Conference.

(b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

3/ Only partial discussion of this subject is contemplated by the Committee.

ANNEX B

Background documentation

Agenda item

- 4 Consideration of the adequacy of rates of growth achieved by the developing countries
- (1) World Economic Survey, 1965 prepared by the Centre for Development Planning Projections and Policies.
- (a) Part I - The Financing of Economic Development (E/4187/Rev.1 or United Nations publication, Sales No.: 66.II.C.1).
- (b) Part II - Current Economic Developments (E/4221/Rev.1 or United Nations publication, Sales No.: 66.II.C.2).
- (2) Development Assistance Efforts and Policies, 1966 Review by the Chairman of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (TD/B/C.3/L. ...).
- 4 (a) Mobilisation of internal resources and the flow of external assistance
- (3) International Flow of Long-term Capital and Official Donations, 1961-1965 (TD/B/C.3/L. ...; original United Nations publication, Sales No.: 66.II.D.3 or E/4170 and Add. 1 and 2).
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Agenda item

6 Further consideration of the Report of the Expert Group on International Monetary Issues

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- (9) Compensatory Financing of Export Fluctuations - second report by the International Monetary Fund (TD/B/C.3/L. ...). The report is included as a discussion document under item 6 of the provisional agenda.

x x x

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2. 1965-1966 Annual Report by the International Bank for Reconstruction and Development and the International Development Association.
3. 1966 Annual Report by the International Monetary Fund.

Messrs. Friedman and Kamarck

February 24, 1967

Federico Console *FC*

UNCTAD - Committee on Invisibles and Financing related to Trade

1. I refer to the conversation I had this morning with Mr. Friedman. Attached is a copy of the provisional Draft Annotated Agenda.
2. You will notice that this very heavy agenda contains various items either of interest to the Bank or in which the Bank is directly involved. The reason for my sending this provisional agenda, which I received on a personal basis from Dr. Prebisch's Special Assistant, is to give you enough time to arrange for representation at the discussions of particular interest for you.
3. As I told Mr. Friedman, I will be attending the meeting on a sort of overall institutional basis and I will try to return from my European meetings as soon as possible. Mr. Friedman said that some of the items would interest Messrs. de Vries, Sacchetti and maybe others. Mrs. Boskey will, of course, be present during the discussion on the Horowitz proposal.
4. As soon as the official invitation comes, I will pass it on to you. In the meantime, as I shall be in Geneva, I will try to get from Mr. Malinowski an idea of the timing of the consideration of the various items on the agenda.

Encl.

cc: Mr. Demuth
Mrs. Boskey

FC:bmb



United Nations Conference on Trade and Development

Distr.
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21 February 1967

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TRADE AND DEVELOPMENT BOARD
Committee on Invisibles and Financing
related to Trade
Second session
New York, 4 April 1967

PROVISIONAL AGENDA

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. Consideration of the adequacy of the rates of growth achieved by the developing countries:
 - (a) Mobilization of internal resources and the flow of external assistance
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8. Supplementary financial measures
9. Progress reports on the programme of work on invisibles^{1/}
 - (a) Insurance and reinsurance
 - (i) Report of the Expert Group on Reinsurance
 - (ii) Other activities
 - (b) Tourism
10. Provisional agenda, date and place of the third session of the Committee
11. Adoption of the report of the Committee to the Trade and Development Board
12. Any other business

^{1/} It is expected that the Committee may wish, at the beginning of the session to establish a sessional sub-committee of the whole to consider this item. As it is not anticipated that the discussion on item 9 will take more than a week or ten days, the Committee could also consider referring selected items of financing to the sessional sub-committee, thereby reducing the time spent in plenary session. The Committee might review this possibility towards the end of the first week, in the light of the progress made both in the plenary and in the sessional sub-committee. It is hoped in connexion with the discussion of item 9 in the sub-committee that the delegations to the session will include experts in the field of insurance, reinsurance and tourism.

ANNOTATIONS TO THE PROVISIONAL AGENDA^{1/}

Item 1: Opening of the session

Item 2: Election of officers

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Rule 19.2 provides that "the officers of the Chairman and Rapporteur of the Committee shall be subject to rotation among the groups on a seven-year cycle in accordance with the annex to these rules of procedure". In accordance with this provision, in the second year of the cycle the Chairman shall be a member of Group A or C and the Rapporteur shall be a member of Group D.

Item 3: Adoption of the agenda

At its resumed first session the Committee considered and noted the present provisional agenda which was drawn up by the Secretary-General of UNCTAD in accordance with rule 8 of the Committee's rules of procedure.

Attention is drawn in this connexion to certain decisions of the Trade and Development Board taken at its fourth session which are of direct concern to the Committee of the Board and to certain resolutions of the General Assembly adopted at its recent twenty-first session.

The Board requested the Secretary-General of UNCTAD to bring to the attention of the Committees of the Board the report entitled "Review of international trade and development 1966" (TD/B/82 and addenda and corrigenda) as well as the summary records (TD/B/SR.92-101, 103, 104 and 115) of the discussions at the fourth session of the Board on agenda item 3 (Review of the implementation of the recommendations of the first Conference) and the report of the Board on that session. The Board's intention was to enable the Committees to review and assess the

^{1/} Documents listed in the annotations are those most directly related to the discussion of the items of the provisional agenda. A list of additional background documents is found in Annex B. Only documents which have been issued or are in final stages of preparation are included in the annotations and Annex B.

implementation of the recommendations of the first session of the Conference in accordance with their terms of reference and to consider the line of further action necessary to facilitate their task of assisting the Board in the preparation of the second Conference (see A/6315, Part Two, paragraph 46). General Assembly resolution 2209 (XXI) also deals with the implementation of the recommendations of the first session of UNCTAD and the Committee's attention is drawn in particular to operative paragraph 3 of that resolution.

With regard to the draft provisional agenda for the second session of the Conference, the Board agreed that it should be forwarded to the subsidiary bodies of the Board as a basis for the preparation of the second Conference, and for such comments, observations or recommendations as they might wish to submit to the fifth session of the Board (see A/6315, Part Two, paragraph 72). In this connexion, attention is also drawn to General Assembly resolution 2206 (XXI), operative paragraph 2 of which calls upon the Board and its subsidiary bodies to take into account the objectives outlined in the first three paragraphs of the preamble of that resolution in their preparations for the second session of the Conference, and to attempt to identify the issues on which preparatory work will have progressed sufficiently to enable specific programmes of action to be drawn up at the Conference by means of negotiation aimed at securing the greatest possible measure of agreement. For the convenience of the Committee, the draft provisional agenda for the second Conference is reproduced as Annex A to this document; where relevant, a concordance of the provisional agenda for the second session of the Committee with that for the second Conference is provided.

The Committee may wish to envisage postponing consideration of sub-items 4(b) and 4(g) because the existing documents on these matters (see annotations on item 4 below) may not yet be found adequate to provide a basis for extended discussion. In view of the many important matters on the Committee's provisional agenda and the short time available for the meeting, the Committee may also find it desirable to consider sub-items 4(c) and 4(d) together, as a single sub-item.

Item 4: Consideration of the adequacy of the rates of growth achieved by the developing countries

4(a): Mobilization of internal resources and the flow of external assistance

A survey prepared by the UNCTAD secretariat entitled "The mobilization of internal resources by the developing countries" (TD/B/C.3/28) reviews the efforts of developing countries to accelerate their growth by action in such fields as capital formation, promotion of domestic savings, agricultural development, education and the planning process. A summary by the Food and Agriculture Organization of the United Nations of The State of Food and Agriculture, 1965 (TD/B/C.3/L.34) considers in more detail the development of the agricultural sector in the past decade.

A further paper prepared by the UNCTAD secretariat entitled "Growth and external development finance" (TD/B/C.3/34) examines the growth rates achieved by the developing countries in the first half of the Development Decade and the net flows of financial resources to these countries, including multilateral, bilateral and private flows. The paper also discusses total net flows in terms of the development assistance target established by the General Assembly (in resolutions 1552 (XV) and 1711 (XVI)) and at the first session of UNCTAD (in recommendation A.IV.2).

The Committee's attention is drawn to Economic and Social Council resolution 1183 (XLI) on the flow of external resources to developing countries, in which the Secretary-General of the United Nations was requested, inter alia, "to undertake in consultation with the United Nations Conference on Trade and Development, the International Monetary Fund, the International Bank for Reconstruction and Development and such other organizations as he considers necessary, a study on: (i) Economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries in accordance with the relevant recommendations contained in the Final Act of the United Nations Conference on Trade and Development, particularly its annex A.IV.2, taking into account the increase in the national income of the developed countries..." (see paragraph 5(b)(i) of this resolution which is given in document E/4264).

In the same resolution the Council expressed "the wish that the United Nations Conference on Trade and Development continue to give special attention, within the field of its competence, to the problems of financing economic development in developing countries".

This Council resolution was endorsed by the General Assembly in its resolution 2170 (XXI); the Assembly further decided to consider at its twenty-second session the reports to be prepared by the Secretary-General in response to the Council resolution.

By resolution 2186 (XXI) the General Assembly decided to bring into operation the United Nations Capital Development Fund whose purpose is to assist developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans, particularly long-term loans made free of interest or at low interest rates. Such assistance is to be directed towards the achievement of the accelerated and self-sustained growth of the economies of those countries and is to be oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for economic and social progress.

A paper prepared for UNCTAD by Professor F.G. Adams of the University of Pennsylvania entitled "Alternative projections of the foreign exchange 'gap': a reconciliation" (TD/B/C.3/30) reviews and compares the various estimates that have been made of capital requirements of developing countries. Further, a paper prepared by the UNCTAD secretariat entitled "External resource requirements of developing countries" (TD/B/C.3/40) deals with the issues involved in estimating such resource requirements, based on secretariat studies of a number of individual developing countries.

4(b): Problems of measuring the net flow of resources to developing countries

The General Assembly at its eighteenth session adopted resolution 1938 (XVIII) in which it requested the Secretary-General to review, with the assistance of experts, the conceptual and methodological problems posed in recent reports on the international flow of long-term capital and official donations. The Secretary-General, after reviewing the problem in document A/5732, convened an expert group which submitted an interim report entitled

"The measurement of the flow of resources from developed market economies to the developing countries" (E/4171) to the Economic and Social Council at its forty-first session. The Council, in its resolution 1184 (XLI), requested the Secretary-General to invite the expert group to submit a final report in time for the forty-third session of the Council. The Council's resolution was endorsed by the General Assembly in its resolution 2169 (XXI).

The group will be convened in New York on 27 February 1967.

4(c): The terms, co-ordination and effectiveness of aid

4(d): Problems of debt servicing

For the consideration of these items the Committee will have before it two papers prepared by the UNCTAD secretariat. The first is entitled "The terms, quality and effectiveness of financial flows and problems of debt servicing" (TD/B/C.3/35). This paper considers recent trends in the terms and conditions of development assistance, and in debt servicing. It also discusses possibilities for improving these terms and conditions. Projections of debt and debt-service payments are presented by the UNCTAD secretariat in a paper entitled "The outlook for debt service" (TD/B/C.3/36).

A study entitled "The costs and benefits of aid: A quantitative approach" (TD/B/C.3/38) has been prepared for UNCTAD by Mr. John Pincus of the Rand Corporation. This paper examines the various forms of financial flows in terms of the real resource cost to donor countries and the real benefits to recipient countries.

Economic and Social Council resolution 1183 (XLI) mentioned under item 4(a) above also requests the Secretary-General to study, in consultation with UNCTAD, the progress made by individual developed countries in the implementation of the resolution concerning the minimum acceptable terms of aid.

4(e): Suppliers' credit

✓ This item was (included) in the provisional agenda of the Committee in accordance with pursuance of recommendation A.IV.14 of the first session of UNCTAD and resolution 26 (III) adopted at the third session of the Trade and Development Board (A/6315, Part One, Annex A). As a basis for its discussion the Committee is expected to have before it (i) a study prepared by the

staff of the World Bank entitled "Suppliers' credits from industrialized to developing countries" which will be distributed as document TD/B/C.3/L.38, and (ii) a study prepared by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs entitled Export Credits and Development Financing, United Nations publication, Sales No.: 67.II.D.1, originally issued as E/4274.

4(f): Stimulation of the flow of private capital

In response to recommendation A.IV.12 of the first session of UNCTAD, the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs has prepared a study entitled The Promotion of Private Foreign Investment in Developing Countries (E/4293), a summary of which has also been circulated. A note (TD/B/C.3/L.40), drawing the attention of the Committee to these documents, has been distributed.

Among the measures to stimulate the flow of private capital is a multi-lateral investment insurance scheme which is under study by the World Bank. A progress report on this subject was distributed as document TD/B/55, to which was appended a summary of a draft of a multilateral investment insurance scheme prepared by the Organization for Economic Co-operation and Development. A second progress report by the World Bank dated 27 July 1966 is contained in document TD/B/98. The representative of the World Bank will be ready to bring these progress reports up to date in an oral statement to the Committee.

4(g): Financing and regional development: Aspects of the expert group report entitled "Trade Expansion and Economic Co-operation among Developing Countries" (TD/B/68)

The expert group report (TD/B/68) deals briefly with this subject in paragraphs 38, 43, 48, 51, 58 and 87. A study prepared by the UNCTAD secretariat (TD/B/85) also refers to these issues in chapter III, paragraphs 66-68, 77, 91, 103-108 and 118-128, and chapter VII, paragraphs 5-8, 19-23 and 27-36. These two reports were before the Board at its fourth session and, after drawing attention to the need for their detailed study and discussion with a view to defining the action programmes that might be adopted by the time of the second session of the Conference, the Board

decided that a discussion of the subject should take place at its fifth session. In this connexion, it requested the Secretary-General of UNCTAD to transmit the reports to the regional economic commissions, the existing regional groupings of the developing countries, the international and regional financial institutions and appropriate intergovernmental organizations for their comments on the suggestions put forward therein (see A/6315, Part Two, Annex A, resolution 32(IV)).

A further study on this subject is being carried out by the Fiscal and Financial Branch of the United Nations Department of Economic and Social Affairs and the UNCTAD secretariat, and this study is expected to be available for the second Conference.

Item 5: The Horowitz proposal: Consideration of the report of the group of experts

The Committee had before it at its first session a report on the Horowitz proposal by the staff of the World Bank (TD/B/C.3/1). At that session the Committee requested the Secretary-General of UNCTAD to appoint a group of experts to consider the economic and financial problems involved (see TD/B/42 - TD/B/C.3/15, Annex I(c), section G).

The group of experts met in New York from 25 to 29 April 1966. Its report is contained in document TD/B/C.3/23.

Item 6: Further consideration of the report of the Expert Group on International Monetary Issues (TD/B/32)

In accordance with resolution 2208 (XXI) of the General Assembly, the Secretary-General of UNCTAD will present a report to the Board through the Committee on the progress of activity relating to international monetary reform (TD/B/115 - TD/B/C.3/43). The Committee will also have before it two communiqués of ministerial meetings of the Group of Ten (TD/B/93 and TD/B/C.3/31).

In connexion with recommendation A.IV.17 of the first session of UNCTAD and the discussion of this matter by the Expert Group on International Monetary Issues (TD/B/32, paragraphs 56 and 57), the International Monetary Fund made a change in its compensatory financing facility. An account of the change is given in the second report of the International Monetary Fund on compensatory financing of export fluctuations (TD/B/C.3/L.35).

Item 7: Report of the Group of Experts on Payments Arrangements among Developing Countries

In pursuance of recommendation A.IV.19 of the first session of UNCTAD, the Secretary-General convened a Group of Experts to consider this subject. The Group met in New York from 20 June to 3 July 1966, and prepared a report entitled "Payments arrangements among the developing countries for trade expansion" (TD/B/80).

The Committee will also have before it a survey of past experience in this field included in "Payments arrangements among developing countries" (TD/B/C.3/32) prepared by the UNCTAD secretariat.

The Committee may wish to consider what comments it might appropriately forward to the Board in connexion with the latter's discussion at its fifth session on "Trade expansion and economic co-operation and integration among developing countries" (item 11 of the Board's provisional agenda).

Item 8: Supplementary financial measures

At its resumed first session the Committee considered the study of the staff of the World Bank on supplementary financial measures (TD/B/43).

The Committee decided, subject to the approval of the Board, to establish an Intergovernmental Group on Supplementary Financing (TD/B/73, Annex A). This decision was approved by the Board at its fourth session (A/6315, Part Two, paragraph 147). The first session of this Group took place in Geneva from 10 to 14 October 1966. The second session is scheduled to take place in Geneva for two weeks, beginning 6 February 1967, and the Group will then report to the Committee.

Item 9: Progress reports on the programme of work on invisibles

The Expert Group on Reinsurance met in Geneva from 26 September to 6 October 1966 and formulated a number of recommendations. Its report ("Reinsurance policy and operations in developing countries") has been issued as document TD/B/C.3/29 - TD/B/C.3/AC.2/1.

In connexion with the Committee's interest in insurance legislation, supervision and market, which is reflected in various projects under the work programme in insurance, the Secretary-General of UNCTAD addressed a

questionnaire, in February 1967, to the governments of developing countries. This questionnaire is reproduced in an annex to the "Progress report on the programme of work on invisibles" (TD/B/C.3/42), and further reference is made in the body of the report to the purpose the questionnaire is intended to serve.

The report also gives an account of the progress made by the secretariat on the other projects (insurance and tourism) contained in the programme of work on invisibles. For the convenience of delegations, the programme of work on invisibles of the Committee, as adopted at its first session, is reproduced as an annex to the report. Another annex to the report contains a review that the Committee requested should be made (see TD/B/42 - TD/B/C.3/15, Annex 1(b)) of the activities relating to tourism carried out by other institutions within the United Nations system and by certain other inter-governmental and non-governmental organizations.

In order to assist the Committee in reviewing and assessing the implementation of the recommendations of the first Conference, with a view to preparing for the second Conference (see the annotations to agenda item 3 above), the sections dealing with invisibles of the report on implementation submitted to the fourth session of the Board (TD/B/82 and addenda) are reproduced in a document entitled "Review of developments in the field of invisibles" (TD/B/C.3/39). Whenever possible, up-dated statistics and other information have been incorporated.

Item 10: Provisional agenda, date and place of the third session of the Committee

Rule 8 of the Committee's rules of procedure provides for the drawing up by the Secretary-General of UNCTAD and submission at each regular session of a provisional agenda for the following regular session. In view of the fact that the second session of the Conference will take place before the third session of the Committee, the latter may wish to provide for a procedure whereby a suitable draft provisional agenda for the Committee's third session might be prepared in the light of the results of the second session of the Conference.

The date and place of the third session of the Committee might be left open for the Board or the Conference to decide.

Item 11: Adoption of the report of the Committee to the Trade and Development Board

Item 12: Any other business

Item under which
subject might be
taken up in the
provisional
agenda

- (ii) role and financing of diversification programmes;
- (iii) basic principles and guidelines for pricing policy designed to maximize receipts from export of primary commodities.

(c) Programme for the liberalization and expansion of trade in commodities of interest to developing countries.

III. Expansion and diversification of export of manufactures and semi-manufactures of developing countries

(a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first Conference.

(b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.

(c) Programme for the liberalization and expansion of trade in manufactures and semi-manufactures of interest to developing countries.

(d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export-oriented industries in developing countries; other forms of economic, industrial and technical co-operation.

(e) Arrangements leading to the reshaping of the existing international division of labour.

IV. Growth, development finance and aid (synchronization of international and national policies)

(a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first Conference.

4 (a)

Item under which
subject might be
taken up in the
provisional
agenda

(b) Financial resources and requirements of developing countries.

- (i) measures for increasing the flow of international 4 (a), (e) and (f)
public and private capital to developing countries; and 5
- (ii) measures for improving the terms and conditions 4 (c)
of aid;
- (iii) measures for dealing with the problem of 4 (d)
international indebtedness.

(c) Supplementary financial measures. 8

(d) Compensatory financing.^{1/} 6

(e) Reform of the International Monetary System - measures 6
for international reserve creation and their relation to development
finance and trade of developing countries.⁷

V. Problems of developing countries in regard to invisibles
including shipping ^{2/}

(a) Review of recent developments and long-term trends in 9
the field of invisibles including shipping in the light of the
recommendations and other provisions of the Final Act of the first
Conference.

(b) Level and structure of freight rates, Conference practices
and adequacy of shipping services - progress report on studies by
the Secretariat.

(c) Shipping industry in developing countries including
expansion of merchant marines of developing countries.

(d) Consultation machinery in shipping.

(e) Port improvements. Progress report on studies by the
Secretariat.

^{1/} Reservation entered by Group B concerning the need for a specific sub-item on
this subject.

^{2/} Only sub-items (a) and (g) are relevant to the work of the Committee.

Item under which
subject might be
taken up in the
provisional
agenda

- (f) International legislation on shipping.
- (g) Transfer of technology, including know-how and patents.
- VI. Trade expansion and economic integration among developing countries, measures to be taken by developing and developed countries - including regional, sub-regional and inter-regional arrangements
- VII. Special measures to be taken in favour of the least developed among the developing countries aimed at expanding their trade and improving their economic and social development
- VIII. General review of the work of UNCTAD
 - (a) Activities of the organs of the Conference.
 - (b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

9
4 (g) and 7

ANNEX B

Background documentationAgenda item

- 4 Consideration of the adequacy of rates of growth achieved by the developing countries
- (1) World Economic Survey, 1965 prepared by the Centre for Development Planning Projections and Policies:
- (a) Part I - The Financing of Economic Development, United Nations publication, Sales No.: 66.II.C.1, originally issued as E/4187.
- (b) Part II - Current Economic Developments, United Nations publications, Sales No.: 66.II.C.2, originally issued as E/4221.
- (2) Development Assistance Efforts and Policies, 1966 Review by the Chairman of the Development Assistance Committee of the Organization for Economic Co-operation and Development (TD/B/C.3/L.43).
- 4 (a) Mobilization of internal resources and the flow of external assistance
- (3) International Flow of Long-term Capital and Official Donations, 1961-1965, United Nations publication, Sales No.: 66.II.D.3, originally issued as E/4170 and Add.1 and 2).
- 4 (c) The terms, co-ordination and effectiveness of aid
- (4) Aid Co-ordination paper by Mr. M. Hoffman of the International Bank for Reconstruction and Development presented to the Ditchley Conference on Improving the Effectiveness of Aid for Overseas Development (TD/B/C.3/L.39).
- 4 (f) Stimulation of the flow of private capital
- (5) "Multilateral Investment Guarantees", a statement prepared by the International Chamber of Commerce for ECOSOC (E/C.2/640) and for UNCTAD (TD/B/C.3/NGO/3).
- 6 Further consideration of the Report of the Expert Group on International Monetary Issues
- (6) "Communiqué of Ministers and Governors and Report of Deputies" by the Group of Ten (TD/B/C.3/L.41).
- (7) "International Monetary Reform and Latin America - Report of the CIAP Group of Experts" issued by the Inter-American Economic and Social Council (CIES/892) distributed as document TD/B/C.3/L.36.

Agenda item

6
(contd)

- (8) "International Monetary Reform" a resolution adopted by the International Confederation of Free Trade Unions (TD/B/C.3/NGO/6).

8

Supplementary financial measures

- (9) Compensatory Financing of Export Fluctuations - second report by the International Monetary Fund (TD/B/C.3/L.35). The report is included as a discussion document under item 6 of the provisional agenda.

* * *

The following documents will be available for convenient reference by members of the Committee in the conference room:

1. The State of Food and Agriculture - two annual reports by the Food and Agriculture Organization of the United Nations for the years 1965 and 1966.
 2. 1965-1966 Annual Report by the International Bank for Reconstruction and Development and the International Development Association.
 3. 1966 Annual Report by the International Monetary Fund.
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CONFERENCE ON TRADE AND
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Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 280 (2nd)

21 February 1967

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming second session of the Committee on Invisibles and Financing related to Trade. This notification is given in accordance with rule 6 of the Committee's rules of procedure.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Raúl Prebisch'.

Raúl Prebisch
Secretary-General

Mr. G.D. Woods,
President
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
USA

ad. Feb. 28

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COMMUNICATIONS

1967 FEB 24 PM 12:40

NSA
Washington, D.C. 20533
1818 H Street, N.W.
International Bank for Reconstruction and Development
President
Mr. C.D. Mooga

00 19 52

Secretary-General
Bart Prebisch



Yours sincerely,

Committee's rules of procedure.

notification is given in accordance with rule 6 of the
on Invisibles and Financing related to Trade. This
concerning the forthcoming second session of the Committee

..... I have pleasure in sending herewith the notification

Dear Mr. Mooga,

REF. No: LDO 580 (5th)

ST Perbisch 1967

Telephone: 34 00 11 33 40 00 33 50 00 33 10 00

Telex: 33 313 or 33 344

Telegrams: UNATIONS' GENERE

1311 GENERE 10

Palais des Nations

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NATIONS UNIES

FEB 24 1967



TDO 280 (2nd)

NOTIFICATION

Committee on Invisibles and Financing related to Trade,
second session, 4 to 19 April 1967

The Secretary-General of UNCTAD has the honour to refer to decision 35 (S-II) on the calendar of UNCTAD meetings for 1967 adopted by the Trade and Development Board at its second special session on 21 December 1966 (TD/B/113, Annex) and to state that, in accordance with this decision, the Committee on Invisibles and Financing related to Trade will hold its second session at United Nations Headquarters, New York, from 4 to 19 April 1967. The session will open at 11 a.m. on Tuesday, 4 April 1967.

The list of the members of the Committee on Invisibles and Financing related to Trade, as constituted after the elections which took place at the fourth session of the Board, is enclosed.

The provisional agenda for the second session is being circulated as document TD/B/C.3/33.

The Governments of members of the Committee on Invisibles and Financing related to Trade are hereby requested, under rule 17 of the Committee's rules of procedure, to submit to the Secretary-General of UNCTAD, at the Liaison Office of UNCTAD at United Nations Headquarters, New York, by 23 March 1967 if possible, the credentials of the representatives and the names of alternate representatives and advisers who will participate in the session.

The Governments of members of the Conference which are not members of the Committee on Invisibles and Financing related to Trade and which wish to attend the session as observers are hereby requested

to inform the Secretary-General of UNCTAD, at the Liaison Office of UNCTAD at United Nations Headquarters, New York, by 23 March 1967 if possible, of the names of the representatives designated for that purpose.

The executive heads of specialized agencies, of the International Atomic Energy Agency, and of the intergovernmental bodies which wish to participate in the session under rule 77 of the Committee's rules of procedure are requested to inform the Secretary-General of UNCTAD, at the Liaison Office of UNCTAD at United Nations Headquarters, New York, by 23 March 1967 if possible, of the names of their representatives designated to that effect.

The executive heads of non-governmental organizations which wish to designate representatives to attend the session as observers under rule 78 of the Committee's rules of procedure are requested to inform the Secretary-General of UNCTAD, at the Liaison Office of UNCTAD at United Nations Headquarters, New York, by 23 March 1967 if possible, of the names of their representatives.

The Secretary-General of UNCTAD wishes to recall that, in adopting its provisional agenda for the second session, the Committee on Invisibles and Financing related to Trade expected that the Committee might wish, as at its first session, to consider the item relating to Invisibles in a separate sessional sub-committee of the whole. In this connexion the Committee hoped that the delegations to the session would include experts in the field of insurance, reinsurance and tourism respectively.

21 February 1967

LD.

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT
A/6315
Annex D

Committee on Invisibles and Financing related to Trade

<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1968	Mali	1968
Australia	1967	Mexico	1967
Belgium	1969	Morocco	1968
Brazil	1969	Netherlands	1969
Bulgaria	1969	Peru	1968
Cameroon	1969	Poland	1969
Canada	1968	Republic of Korea	1969
Chile	1969	Republic of Viet-Nam	1968
China	1967	Romania	1968
Congo (Democratic Republic of)	1969	Spain	1968
Czechoslovakia	1968	Sudan	1967
Ecuador	1967	Sweden	1969
El Salvador	1967	Switzerland	1969
Federal Republic of Germany	1968	Tunisia	1969
Finland	1967	Turkey	1967
France	1967	Uganda	1967
Ghana	1968	Union of Soviet Socialist Republics	1967
India	1969	United Arab Republic	1968
Israel	1967	United Kingdom of Great Britain and Northern Ireland	1969
Italy	1968	United Republic of Tanzania	1967
Japan	1968	United States of America	1967
Kuwait	1968	Yugoslavia	1967
Lebanon	1969		

M. Ballantine

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FROM: The Secretary

February 21, 1967

Study on Supplementary Financing
Second Session of the Intergovernmental Group on Supplementary Financing
Geneva, February 6-17, 1967

Attached herewith for information is a summary of the discussion at the Second Session of the Intergovernmental Group established under the UNCTAD Committee on Invisibles and Financing Related to Trade. The summary has been prepared by The Economic Adviser to the President.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Deputy Executive Vice President, IFC
Department Heads, Bank and IFC

Second Session of the Intergovernmental Group on Supplementary Financing,
Geneva, February 6-17, 1967

1. The Intergovernmental Group on Supplementary Financing set up by the UNCTAD Committee on Invisibles and Financing Related to Trade met in Geneva from February 6-17, 1967. The first meeting of the Group took place from October 10-14, 1966.
2. The Group discussed certain aspects of the Scheme in a business-like manner under the Chairmanship of Mr. Mermolja of Yugoslavia. All members of the Group were present, including a representative from Poland plus a number of observers.
3. The Bank representatives were called on to explain many aspects of the Scheme while the Fund representatives explained the Compensatory Finance Scheme. The discussions were greatly facilitated and sharpened by the circulation of a comprehensive note by the German representative and by the oral contributions of the various representatives. All members of the Group participated actively in the deliberations as well as some of the observers.
4. The discussions in the Group and informal conversations outside brought out that the majority of the Members, including all the representatives of the developing countries, supported the Scheme essentially as proposed by the Bank staff. A few of the donor countries were critical; one of these submitted an alternative to the Bank staff proposal. A couple of countries took an encouraging but not definitive attitude towards the Scheme. One of the more critical potential donors felt that commodity agreements were a more basic attack on the underlying problems but also indicated that Supplementary Finance could be a useful complement to commodity agreements for those countries unable to conclude such agreements.
5. It was agreed that the assistance provided under the Scheme should be of a long-term nature and on concessional terms. The suggestion was made that the members of the Scheme might be grouped into three categories with the DAC "norm" being the middle category.^{1/} The view was expressed by many that Supplementary Finance should be regarded as supplementary to basic development finance.
6. The proposed export projections were carefully reviewed and discussed in some detail. The general feeling was that export projections of this kind formed a useful and feasible basis for the operation of the Scheme, especially taking into account the scope for improvement. However, one representative remained skeptical, particularly of the wisdom of relating financial assistance to such export projections. In principle, invisibles should be included in the export projections when feasible. In some cases projections of invisible earnings might well be possible for example where tourism was important. While it would be desirable to adjust for import prices it seemed impracticable because of statistical complexities and inadequacies.

^{1/} 25 years maturity, 7 years grace period, 3 per cent interest rate.

7. The content of the "policy package" was discussed at some length and a number of questions were raised. The Bank representative emphasized the central importance of performance understandings to the whole Scheme. All the representatives of the developing countries expressed their acceptance of the need for such performance understandings. They emphasized that for various reasons it would not be practicable or desirable to publicize detailed understandings. The public policy understandings should be expressed in broad macro-economic terms such as export earnings, public and private investment and domestic savings; private policy arrangements between the country and the Agency would implement, where appropriate, these broad publicized commitments. The actuality of performance would be checked at the time of shortfalls as well as during the projection periods. Thus the Scheme was essentially administered and not automatic, even though it aimed at speedy and timely assistance when needed.

8. The cost of the Scheme was discussed at some length. Some representatives expressed concern that the Scheme seemed open-ended. Several representatives requested a quantification of the factors taken into account in deriving the Bank's staff estimate of \$300-\$400 million a year for the initial five years of the Scheme's operations. A tabulation was given to the Group indicating how these figures were derived and this tabulation was discussed. The Bank representative pointed out that the cost figures were derived on the basis of available historical data regarding shortfalls and should not be taken as precise or certain forecasts of the amounts that will be needed in the future. The cost estimates were made to guide the countries at arriving at a judgment of what amount of financial resources would be needed to give the Scheme a reasonable chance of success in the initial five years. The alternative method of arriving at a cost figure was through negotiations and bargaining without the benefit of a reasoned initial starting point. The Bank staff recognized that there was the possibility that these cost estimates might prove too low or too high. The Scheme therefore provided for rationing, if needed, since the initial sum of resources would be limited. The Scheme was thus not open-ended. It was generally agreed to use the Bank's cost estimates as a basis for future deliberations.

9. The feasibility of the proposed Scheme was thoroughly discussed. One representative felt that it would prove unworkable because of the very broad nature of the policy package and the number of countries involved. The Bank representative pointed to the work that was already being done in the field of examination of development programs and related policies. It was not intended that the Supplementary Finance Scheme would go significantly beyond what was already becoming the general practice in this field. Given close collaboration between the World Bank Group and the IMF with the Agency, the Scheme should prove to be feasible and would not involve much extra work either for the countries or the Agencies concerned.

10. The viewpoint was expressed by nearly all delegations that administration of Supplementary Finance should be entrusted to the Bank Group, i.e. to IDA or another affiliate of IDA, if agreeable to the World Bank. As membership would be universal the question would arise of how non-members of IDA could participate in the Scheme, perhaps by parallel arrangements, etc. Close collaboration with the IMF was envisaged by all. The Bank representative expressed no view on the willingness of the World Bank Group to accept this responsibility, if and when requested.

11. The Bank staff was requested to prepare a background paper on the other external causes of instability beyond the members' control. Mention was made particularly of import requirements such as food and unexpected changes in this regard. It was clarified that the purpose of such a paper was not to extend the scope of the Supplementary Finance Scheme or to prepare other schemes to handle these problems or to arrive at a quantitative estimate of the possible cost of such other schemes. With this understanding, the Bank representatives undertook to do a background paper on this subject.

12. Concluding the session the Chairman stated that agreement had been reached in several broad areas but that disagreement still existed on certain important aspects. One or more further meetings of the Group will therefore be necessary. In this respect, the representatives of developing countries expressed their preference for a third meeting in the near future (June) while those of the donor countries want more time for additional study and consultations with their governments. The Group will certainly meet in October and decisions concerning an earlier meeting will be taken by the Committee on Invisibles and Financing which meets in New York next April. The results of this second session of the Group will be presented as an interim report to this Committee. This interim report has been agreed by the Working Group and will be circulated to the Executive Directors as soon as it has been received in the Bank.

IDA	IBRD	IFC
FORM NO. 92 (10-61)		
CORRESPONDENCE RECORD FORM		
FROM Mr. Pílan Petigura, U.N. Conference on Trade and Development, U.N. New York. (Special Delivery)		DATED February 20, 1967
SUBJECT Enclosing copy of the draft provisional agenda for the 2nd session of the Committee on Invisibles and Financing related to Trade. qja		
REFERRED TO Mr. Consolo		DATE RECEIVED February 21, 1967

OFFICE MEMORANDUM

TO: FILES

DATE: December 13, 1966

FROM: Andrew M. Kamarck *amk*SUBJECT: Bank Comments on Paper Prepared by UNCTAD Secretariat on Comparison of
Techniques of Projection

I called Sidney Dell of UNCTAD Monday afternoon, December 12, and communicated to him the points covered by Mr. Sarma's memorandum to me on the above subject.

Mr. Dell accepted all three of the specific comments on the Bank Scheme. He said that he was impressed with the point that the merits of the Bank and Fund methods should be judged in accordance with the basic objectives of the Scheme since that is what is relevant, but he was not ready to agree to it. He said that he would have to think about it some more.

He also asked when the Bank papers would be arriving. I told him it was a question of getting the final comments from the interested parties in the Bank. He said that he had to know by Thursday when the papers were coming since on Thursday the decision would be taken as to whether to postpone the next meeting of the Intergovernmental Group. I suggested that he plan to phone Mr. Friedman on Wednesday afternoon to get the final story. He said that he would.

cc: Messrs. Friedman
Sarma
Sundrum

OFFICE MEMORANDUM

TO: Mr. A.M. Kamarck

DATE: December 21, 1966

FROM: V. Dubey

SUBJECT: Draft Reply to UNCTAD

1. The UNCTAD Expert Group's Report and the UNCTAD Secretariat Report on Trade Expansion and Economic Cooperation Among Developing Countries have been formally transmitted to the Bank in accordance with a resolution of the Trade and Development Board. This requested "the Secretary General of UNCTAD to transmit the reports to the international and regional financial institutions offering them the opportunity to comment on the suggestions contained therein that relate to them."

2. The report of the Expert Committee on Trade Expansion and Economic Cooperation among Developing Countries recommended that "donor countries and international institutions should consider the provision of additional funds for regional and multinational projects. Their willingness to provide these funds might be an effective means for overcoming resistance and obstacles to trade liberalization and economic cooperation among developing countries. Attention should be given to the need for financing preinvestment and feasibility studies to ensure that an adequate number of such projects would be forthcoming." (Para. 87). As is clear, the Expert Committee was quite cautious in its recommendation. It appears that it felt that at present in comparison to a national project an equally sound regional project tends to be discriminated against by donors, and wanted sound regional projects to receive assistance with the same facility as similar national projects.

3. In the report of the UNCTAD Secretariat a definite operational bias in favor of regional and multinational projects is asked for. This bias is to find expression in different ways, so that the difficulties that hamper the establishment of integrated regional markets in developing countries would be reduced. For example, a group of developing countries that commit themselves to the establishment of an integrated market would be assured additional assistance by the IBRD. The argument for this assurance is that integration is likely to increase the growth rate of the region, and would therefore justify the increment of aid. However, the assurance of additional resources by the Bank (and other donors) is to precede the acceleration of the growth rate. The availability of additional resources is to be an incentive for groups of LDC's to come together for establishing an integrated market.

4. The UNCTAD Secretariat report also suggests that the Bank support measures that would ensure balanced development within the integrating areas, and equitable sharing of benefits among the more and less developing countries in the group. The Bank should assist in (a) feasibility studies for determining the joint investment allocation policy, (b) giving priority to projects in the joint investment program and (c) establishing industrial projects in the less developed countries of the group, at the initial stage of the integration, in order to convince them that integration means benefits even for them. In order

to prevent duplication of industries within the region because of bilateral assistance, the report suggests the possibility of a regular confrontation between all the donor countries giving assistance to a region and all the recipient countries of the region. "Adequately prepared confrontations of this kind might go some way towards ensuring that bilateral aid does not counteract integration and is not administered in a manner which consolidates - albeit unintentionally - the separateness of the national economies of the recipient countries." (Para. 108).

5. This new emphasis on regional aid as a recommended policy for the Bank could seriously affect the Bank's normal criteria for loans and credits, namely performance and creditworthiness. Would a notion of "regional performance" have to be developed and utilized? How would regional performance be related to national performance? For example, if three countries of a regional group have a good performance while a fourth is in a hopeless mess, would the group still be considered for regional assistance?

6. The problem appears to me to be essentially that of the Bank's position on the promotion of regional groupings of developing countries. The position of the UNCTAD report is that regional groupings should be induced into existence by international institutions which should agree to grant special privileges to countries that participate in such groupings. A more moderate, more realistic and more acceptable position would be that regional groupings which come into existence should not be hampered (or by implication discriminated against) by the existing policies of international institutions. Projects which would have received loans on normal national criteria should not lack assistance because they happen to be multinational in character. On the other hand, projects which may be justifiable for one country but seriously hamper other countries, should not receive assistance.

7. The practice of the Bank appears to have been quite enlightenend in this respect. Mr. Woods in his speech to the first UNCTAD stated that: "two-thirds of the developing countries have populations of less than 5 million for these countries the hope for satisfactory development lies largely in regional arrangements to eliminate trade barriers, in large markets and rationalize production among themselves. We in the Bank have long encouraged regional groupings of this kind and will not only welcome but seek out similar opportunities in the future ..." A number of multinational projects have received or are likely to receive Bank assistance - in some cases by accident, but more recently by design. Some examples are mentioned:

- (a) Rhodesia/Zambia: Loans were made to the Central African Federation which later split up into Rhodesia and Zambia. Of the two railway loans to the Federation, one has been taken over by Zambia and the other has been divided equally between the two countries. The power loans for the Kariba Dam were made to a statutory corporation which still exists. Each country guarantees 50% of the loan.

- (b) Kenya, Uganda and Tanzania: The tradition of common services existed from the old colonial days. After Independence, the East African Common Services Authority has administered certain services for the whole of East Africa. Two railway loans have been made and a telecommunications loan is contemplated. The "regional" question has been a live one after Independence, particularly on the problem of regional imbalance, which has been investigated recently by the Philips Commission. The Bank has taken the position that the common regional services must be maintained in transport and telecommunications. The Bank loans to common services are guaranteed jointly and severally by each country.
- (c) Mali/Senegal: Railway credits to Mali and Senegal for the improvement of the line from Dakar to Bamako is an example of a multinational project, each national component of which made little sense in isolation. The Bank has made one credit each to Mali and to Senegal. The effectiveness of each credit is linked to the other. There are special clauses stressing interdependence of the two projects and emphasizing the necessity of cooperation.
- (d) The Mekong Basin: The Bank is administering the scheme but refused to participate in financing it on the grounds that it was not "bankable."
- (e) Argentina/Uruguay: The Salto Grande hydroelectric power scheme on the Uruguay River which would imply cooperation between Argentina and Uruguay was discussed for some time. Ultimately, Argentina's government appears to have decided to give first priority to a project at El Chocón. The position of the Bank appears to have been that the Argentine government could decide the relative priorities of the projects provided that the **choice** was made on valid grounds. The Salto Grande project is likely to come up again in the future.
- (f) India/Pakistan: The Bank has suggested for the consideration of the governments of India and Pakistan a number of joint projects, the most important being the Brahmaputra River scheme for irrigation and flood control.

8. The impression from these examples of the general policy of the Bank appears to be as follows: (a) the Bank has not shied away from multinational projects. If an economically sound project involving the cooperation of more than one country has turned up, the Bank has been willing to finance it. It has exercised influence occasionally in favor of "regional" projects when it was felt that the economic soundness of the national components of such a project depended on their being undertaken and operated on a multinational basis. (b) The Bank has not assisted less sound "regional" projects at the expense of more sound national projects - economic criteria have not been sacrificed at the altar of economic integration. (c) The Bank does not believe in shotgun weddings for countries. Regional integration has a fundamental political aspect and economic cooperation between

countries presupposes at least a minimal political understanding. The Bank, therefore, considers multinational projects only if countries are agreeable to cooperation. Compulsion to cooperate is a contradiction in terms.

9. Considering all these factors I have drafted the reply from Mr. Friedman to Mr. Prebisch so as to bring out the following points:

- (a) The Bank views sympathetically efforts by developing countries for regional integration.
- (b) The Bank does not discriminate against regional projects. It has in fact embarked on multinational projects when it has considered them to be economically sound and when it has been asked to do so.
- (c) The Bank is not likely to give up its normal assistance criteria for promoting integration among LDC's, because integration based upon unsound projects is not likely to promote development. The Bank would not agree to support projects whose only reason to exist is because they promoted integration.

VDubey/jb

Mr. Hoffman

February 17, 1967

David Grenier D.G.

UNCTAD Paper on Financing of Tourism

The UNCTAD paper on the World Bank Group and the Financing of Tourism has been looked at by IFC and some problem areas have been identified. On page one, the marked passage re-written by UNCTAD from the paper we supplied them creates some problems because of the inferences it contains. On page two, there are some minor changes which I think are self-explanatory. On page three, the reference to SNI is misleading since more than one project is likely to be involved. Part of the section on the Greek development finance company, NIBID, needs to be deleted since it has decided against going ahead with the proposal. Attached is a suggested cable to UNCTAD for your signature.

c.c. Mr. Lind
Mr. Skillings

DG:jl

W.R. MALINOWSKI
UNATIONS, GENEVA
22.212 or 22.344

February 17, 1967

TELEX

SWITZERLAND

Have reviewed your draft on World Bank Group and Financing of Tourism and have following comments to offer. Primo, delete first two sentences of para three and insert the following: "All three organizations, the World Bank, the International Development Association (IDA) and IFC, are prepared to have the funds they make available to development finance companies relent for projects relating to tourism. Among development finance companies associated with the Bank Group, the most active in providing assistance to the development of tourism are in the Mediterranean area." Secundo, in para four line six amend statement to read "ENDE decided to assist the construction". Tertio, in para six line three delete "planned" and insert "financed" and in line six delete "way" and insert "study". Quarto, in para seven delete last sentence. Quinto, in para eight delete fourth and fifth sentences. Hope these changes present no difficulties. Regards.

HOFFMAN

Michael L. Hoffman
Development Services

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT

NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 280

17 February 1967

Dear Mr. Demuth,

On behalf of the Secretary-General of UNCTAD I am writing to thank you for your letter of 23 January 1967 transmitting, in response to the request contained in his communication of 21 November 1966, the Bank's comments concerning difficulties experienced in the aid-giving process. I am sure that these comments will be most useful to the Committee on Invisibles and Financing related to Trade.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Paul Coidan".

Paul Coidan,
Director,
Division for Conference Affairs
and External Relations.

Mr. Richard H. Demuth,
Director,
Development Services Department,
International Bank for Reconstruction
and Development,
1818 H Street, N.W.,
Washington, D.C. 20433,
U.S.A.

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1967 FEB 23 AM 10:10

U.S.A.
Washington, D.C. 20533
1818 H Street, N.W.
and Development
International Bank for Reconstruction
Development and Finance
Director
Mr. Herbert H. Demuth

and External Relations
Delegation for Conference Affairs
Director
Paul Cohen

Yours sincerely,

Committee on Inland Transport and Financing related to Trade.
I am sure that these comments will be most useful to the
concerning difficulties experienced in the air-aiding process.
communication of 21 November 1966, the Bank's comments
transmitting, in response to the request contained in its
writing to thank you for your letter of 23 January 1967
on behalf of the Secretary-General of UNCTAD I am
Dear Mr. Demuth,

REF. No: LDO 580

Telephone: 34 00 11 33 40 00 33 50 00 33 10 00
Telex: 33 312 on 33 344
Telegrams: UNATIONS' GENÈVE

DELEGATION
CONFERENCE ON TRADE AND
UNITED NATIONS



ET LE DÉLÉGATION
CONFÉRENCE SUR LE COMMERCE
NATIONS UNIES

121 GENÈVE 10
Palais des Nations

UNCLAD

ROUTING SLIP

Date

February 23, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Kamarck

800

Action

Note and File

Approval

Note and Return

Comment

Prepare Reply

Full Report

Previous Papers

Information

Recommendation

Initial

Signature

Remarks

I regret the delay in having this sent on to you. Would you please have a reply prepared for my signature.

Thank you.

From

Irving S. Friedman

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

DATE RECEIVED

FEB 21 1967

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No. : TD 307/5

16 February 1967

Dear Mr. Friedman,

I would like to refer to the document entitled "Export Projections in the World Bank", prepared by the staff of the IBRD and submitted as document TD/B/C.3/AC.3/11, to the second session of the Intergovernmental Group on Supplementary Financing.

Paragraph 9 of the document points out that "substantial dossiers" are maintained by the Bank on most of the principal internationally traded commodities of importance to the developing countries. It adds that such dossiers consist of both individual basic commodity studies, and unpublished internal staff papers, and comprise both current economic data as well as projections.

Given the undoubted value that these data and projections hold for the UNCTAD Commodities Division programme of work - especially in preparing for the 1968 Conference in New Delhi - we wondered whether all or selected portions of such dossiers could be made available to us in the near future? Undoubtedly there would be restrictions surrounding some of the papers, and we would of course ensure that any limitations on their use were scrupulously observed. We could, for instance, restrict any specified materials to my immediate office.

Since it would be extremely useful for us to have access to these dossiers, may I ask for your collaboration in receiving them? I expect to be in the United States early in April and it occurs to me that perhaps it would be most convenient to the Bank if I were to visit Washington, when we could see what material in the dossiers would be of prime interest to us, on the one hand, and the status of the various documents, on the other.

Yours sincerely,

Perce R. Judd

Perce R. Judd
Director, Commodities Division

Mr. Irving Friedman,
Economic Advisor to the President,
The International Bank for Reconstruction
and Development,
1818 H Street, N.W.,
Washington D.C. 20433.

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Washington D.C. 20540
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and Delegation

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The International Bank for Reconstruction and Development
1967 FEB 21 AM 8:25
Mr. T. T. T. T. T.

Director, Commodities Division
Paris 12, France

John K. Jones

London, England

documents on the other.

It is interesting to me, on the one hand, and the results of the various
meetings when we could see what material in the documents would be of
that because it would be most convenient to the Bank if I were to state
expect to be in the United States early in April and to discuss to me
documents, and I ask for your cooperation in facilitating them. I
since it would be extremely useful for us to have access to these

immediate office.

We could, for instance, request and abstracted materials to which
enable that and instructions on these are more systematically organized.
References and instructions some of the papers, and we would of course
advise you to the next time. Undoubtedly these would be
material and of selected documents of other documents could be made
in preparing for the 1968 conference in New York - we would like
for the UNCTAD Commodities Division to examine of work - especially
given the importance of the fact these data and projections would

comparable with similar economic data as well as projections.
These commodities are also, and particularly interest in the papers, and
countries. It seems that other documents contain a lot of information
internationally placed commodities of importance to the developing
countries, and material of the Bank on most of the industrial
countries of the documents, both on the fact and the material

of the International Bank on the subject of financing.
and submitted as documents to the UNCTAD, to the second session
proceedings in the World Bank, prepared by the staff of the IBRD

I would like to refer to the documents entitled "Exports

Dear Mr. T. T. T.

REF. NO.:

LD 20002

TE. REF. NO. 1000

Telephone: 34 80 11 33 40 00 33 50 00 33 10 00

Telex: 33 315 on 33 344

Telegrams: UNCTAD, GENEVE

FEB 21 1967

CH - 1311 GENEVE 10

Palais des Nations

DATE RECEIVED

ON TRADE AND DEVELOPMENT
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ON LE COMMERCE ET LE DEVELOPPEMENT
CONFERENCE DES NATIONS UNIES

UNCTAD

xComm oils

IDA		IBRD		IFC	
FORM NO. 92 (10-61)		CORRESPONDENCE RECORD FORM			
FROM			DATED		
United Nations Conference on Trade & Development Geneve			Feb. 16, 1967		
SUBJECT					
Letter re: International Olive Oil Council requests for an international conference for the purpose of extending present Agreement due to expire 9/30/67. Conference will be held in Geneva from 28 March to 1 April, 1967. Addressed and					
REFERRED TO			DATE RECEIVED		
Mr. Woods			Feb. 21, 1967 mp		

UNCTAD

x Ports

IDA	IBRD	IFC
FORM NO. 92 (10-61)		
CORRESPONDENCE RECORD FORM		
FROM Director, Division for Invisibles----- UN Conference on Trade and Development Geneva, Switzerland		DATED
SUBJECT Review of Studies and Activities in field of Shipping and Ports within UN System. Addressed and		
REFERRED TO Mr. Hoffman		DATE RECEIVED Feb. 16, 1967 jgv

February 15, 1967

Mr. W.R. Malinowski
Director, Division of Invisibles
UNCTAD
Palais des Nations
CH-1211 Geneva 10, Switzerland.

Dear Wladek:

Thank you for your letter of January 27, 1967.

The reports on Algeria and East Africa have not yet been completed. I am informed that the report on Algeria will be completed in the near future, while that on East Africa is less farther advanced. You should receive both pursuant to the regular arrangements for your receipt of Bank documents.

As regards the document on the IFC investment in Kenya, I have looked into the matter and find that it is indeed considered confidential and cannot therefore be made available to outside agencies. IFC project reports relating to investments of that agency, which, because of their very nature, involve arrangements with individual private investors, are not made available to outside agencies as are country and other economic reports of the Bank or IDA.

With respect to the Battelle proposal on market projections in tourism, the Bank has under continuing review the question of resources, whether its own or through contracting with others, it requires or is in a position to devote to this subject. No decision has been made on this matter as of the present time.

I have received the documents on ports and shipping which you kindly sent, and have made them available to Messrs. James Lowdon and Vincent Hogg, whom you met in my office, as well as to others concerned in the Bank.

I appreciate the information you have supplied on your activities and plans in the field of tourism, and have noted that you plan to be in New York from April 4 to 19 for the meeting of the Committee on Invisibles and Financing. At the present time I do not know about my availability

Mr. W.R. Malinowski

-2-

February 15, 1967

during that period because of my responsibilities in connection with the drafting of an economic report on Guinea, pursuant to the mission to that country which I recently headed. This will become clearer a little later. The matter of Bank representation at the meeting will, of course, be decided upon receipt of the official notification.

I look forward to the possibility of seeing you during your forthcoming trip.

With best regards.

Sincerely,

George Kalmanoff

cc: Messrs. Sadove, Leon, Rao

GKalmanoff:v1b

gs.K.

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TO: ~~malinowski~~
MALINOWSKI
UNATIONS
GENEVA

DATE: FEBRUARY 14, 1967

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COUNTRY: SWITZERLAND

RCH

TEXT:
Cable No.:

Feb 10 - UNCTAD

Comm. Fin. Related
to trade

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HOFFMAN

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MESSAGE AUTHORIZED BY:

NAME MICHAEL L. HOFFMAN/pnn

DEPT. DEVELOPMENT SERVICES

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DEPARTMENTAL SERVICES

NAME

MICHAEL T. HOLMAN

FEB 14 3 05 PM 1967

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INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

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TO: IRVING FRIEDMAN (CONFIDENTIAL)
CARE BERGUESHOTEL
GENEVA

DATE: FEBRUARY 14, 1967

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SERVICE: FULL RATE

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~~CONFIDENTIAL~~

RCH

COUNTRY: SWITZERLAND

TEXT:

Cable No.: 4

RE URTELCON HAVE HAD FORMAL UNDERSTANDINGS ON ECONOMIC DEVELOPMENT POLICY ISSUES DURING 1966 WITH XAVIER' MARQUEZ' COUNTRY, COUNTRY PETER WRIGHT NOW VISITING, COSTA RICA, MALI, SUDAN AND UGANDA, AND AGREED MINUTES WITH BELL'S COUNTRY. IN FRAMEWORK OF CONSULTATIVE AND SIMILAR GROUP MEETINGS THERE WERE ECONOMIC POLICY UNDERSTANDINGS WITH REMAINING FIVE ASIAN COUNTRIES INVOLVED BUT THESE WERE NOT CONTAINED IN FORMAL LETTER OR STATEMENT TO THE BANK FROM THE COUNTRY. FOR EIGHT MORE COUNTRIES THERE WERE COMMITMENTS MADE TO IMF OR CIAP WHICH WHILE NOT MADE DIRECTLY TO THE BANK ARE REGARDED BY BANK AS EXPLICIT DECLARATIONS OF ECONOMIC POLICY INTENT. AS YOU MENTIONED IN TELCON, EVEN KNOWLEDGE OF EXISTENCE OF SOME OF THESE HIGHLY CONFIDENTIAL.

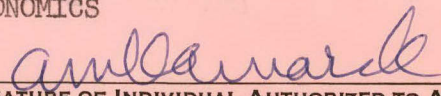
KAMARCK

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY: A. M. KAMARCK

NAME DIRECTOR

DEPT. ECONOMICS

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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MESSAGE AUTHORIZED BY: U. S. NAVY

KAMAYCK

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TO: TRAINING BUREAU (CONFIDENTIAL)

OPLEDING MIKE

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TO: IRVING FRIEDMAN
CARE BERGUESHOTEL
GENEVA

DATE: FEBRUARY 13, 1967

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COUNTRY: (SWITZERLAND)

TEXT: 3

Cable No.:

✓
PARA ONE RE OURS 12th SURVEY COUNTRY ECONOMISTS INDICATES VIRTUALLY
ALL PLANS LISTED PARA ONE INCLUDE DETAILED OR GLOBAL EXPORT PROJECTIONS
STOP ONLY DEFINITE EXCEPTIONS ARE GUINEA GUYANA NEPAL STOP
PARA TWO ADDITIONAL DEVELOPMENT PLANS FAMILIAR TO BANK ECONOMISTS
AND INCLUDING EXPORT PROJECTIONS ARE CHILE SYRIA SPAIN IVORY COAST
GHANA PARENTHESIS ABANDONED 1966 STOP HOWEVER CURRENT BANK LIST
UPDATING APPENDIX THREE WATERSTON STUDY INDICATES PRACTICALLY ALL
DEVELOPING COUNTRIES HAVE PREPARED COMPREHENSIVE OR PARTIAL PLANS
ONE-YEAR
INCLUDING ~~YEAR~~ PLANS AT SOME TIME

KAMARCK

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. KAMARCK

DEPT. ECONOMICS

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

AJMaccone/hl

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Checked for Dispatch:

Lc

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
GENERAL INVESTIGATIONS
OUTGOING WIRE

INTERNATIONAL FINANCE
CORPORATION

FEB 13 6 20 PM 1967

DATE: FEBRUARY 13, 1967

CLASS OF
SERVICE

TO: IRVING THIMMAN
CARE BERNESE
GENEVA

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

PARA ONE RE OURS 12TH SURVEY COUNTRY ECONOMISTS INDICATES VIRTUALLY
ALL PLANS LISTED PARA ONE INCLUDE DETAILED OR GLOBAL EXPORT PROTECTIONS
STOP ONLY DEFINITE EXEMPTIONS ARE GUINIA GUYANA NEPAL STOP
PARA TWO ADDITIONAL DEVELOPMENT PLANS FAMILIAR TO BANK ECONOMISTS
AND INCLUDING EXPORT PROTECTIONS ARE CHILE SPAIN IVORY COAST
GHANA PARAGUAY ABANDONED 1966 STOP HOWEVER CURRENT BANK LIST
UPDATING APPENDIX THREE WATERSTON STUDY INDICATES PRACTICALLY ALL
DEVELOPING COUNTRIES HAVE PREPARED COMPREHENSIVE OR PARTIAL PLANS
ONE-YEAR
INCLUDING PLANS AT SOME TIME

KAMARCK

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NAME

A. KAMARCK

DEPT.

ECONOMICS

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(Signature of Individual Authorized to Approve)

KAMARCK

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CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: Feb. 13, 1967

TO: Mr. Woods

FROM: Jorge Viteri de la Huerta
Special Assistant to the
Secretary-General of UNCTAD

FILED UNDER: Suppliers' Credits

SUMMARY: Re: Study on Suppliers' Credits

UNCTAD

OUTGOING WIRE

TO: Irving S Friedman
Care BERGUESHOTEL
GENEVA

DATE: February 12, 1967

CLASS OF
SERVICE: Full Rate

COUNTRY: (Switzerland)

TEXT:
Cable No.:

Para one Re your telephone inquiry quick review available Bank economic reports indicates following countries have prepared comprehensive or partial development plans colon Brazil Colombia Ecuador Guyana Jamaica Mexico Paraguay Peru Trinidad Uruguay Venezuela Central American countries Cameroun Congo Brazzaville Ethiopia Guinea Kenya Malagasy Malawi Nigeria Senegal Sudan Tanzania Tunisia Uganda Zambia UAR Portugal Yugoslavia Greece Afghanistan Ceylon India Iran Iraq Japan Jordan Korea Malaysia Nepal Pakistan Philippines Taiwan Thailand Turkey stop In some cases such as Argentina plan previously presented to Bank now inoperative stop Of course you well aware usual qualifications re ~~re~~ operational significance most these plans stop

Para two Believe most above plans incorporate export projections stop ~~re~~ Will cable Monday which ones ~~re~~ do not stop Bank reports show Bank has made own export projections for all countries listed paragraph one except Portugal Greece Nepal Zambia ~~stop~~

Macone *Macone*

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY: Barend ~~re~~ de Vries

NAME

DEPT.

Economics

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

AJ Macone *AJ Macone*

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

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c.c. Mr. A. Kamarch
Mr. B. de Vries
Mr. O. Maiss

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Checked for Dispatch: _____

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VI MESSAGE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SIGNATURE

DATE

NAME

MESSAGE AUTHORIZED BY: BALENG M DE ALICE

DESPATCHED AFTER HOURS

DATE 2/12/67

TIME 11:00

g. d. c.

Checked for Dispatch

For Use by Archives Division

MI: C. Mates

MI: B. de Alcega

MI: A. K. K. K. K.

STAMPANCES AND COPY DISTRIBUTION:

NOT TO BE REPRODUCED

MESSAGE

PLEASE REPLY TO THE FOLLOWING

our export projections for all countries listed below except for the

in which case Monday after noon is the date of the report from the bank

has two weeks more to go before the first of the year and the

projections to the operational significance of these data are

presented to the bank now the first of the year of the year and the

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DATE: 2/12/67

TEXT:

COMMITTEE: (MIB ONLY)

GENERAL

DATE: 2/12/67

TO:

DATE: 2/12/67

RECEIVED: 2/12/67

CLASS OF

DATE: 2/12/67

OUTGOING MIB

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

UNCTAD

February 10, 1967

Dr. Raul Prebisch
Secretary-General
United Nations Conference on
Trade and Development
United Nations, New York

Dear Dr. Prebisch:

This will acknowledge receipt of the note verbale
and draft provisional agenda for the Second Session of
UNCTAD. This material will be brought to the attention
of the appropriate officers of the Bank.

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

MLHoffman/pnn

1967 FEB 13 PM 1:23

COMMUNICATIONS
RECEIVED
FEB 13 1967

MLH

RECEIVED
GENERAL FILES
COMMUNICATIONS

1967 FEB 13 PM 1:53

MGHoffman/bun

Development Services Department
Associate Director
Michael L. Hoffman

Sincerely,

of the appropriate officials of the Bank.

UNCLAD. This material will be brought to the attention
and draft budgetary needs for the second session of

This will acknowledge receipt of the note letter

Dear Dr. Pertsch:

United Nations, New York
Trade and Development
United Nations Conference on
Secretary-General
Dr. Karl Pertsch

February 10, 1967

UNCLAD

Mr. Ugo Sacchetti

February 10, 1967

Paolo Leon

Telephone Conversation with Mr. Toren of UNCTAD

1. On February 10, I called over the telephone Mr. Toren, who had called me the day before. He called to know when the errata sheet on the statistical annex of the "Supplier's Credits Study" would be available.
2. I told Mr. Toren that it was decided not to issue an errata sheet since the Bank was probing more deeply into the debt figures which were published in the Annual Report and in the Report #EC 149 (on external medium and long-term public debt, which was also sent to UNCTAD). I said that, in any case, revisions in the figures would not affect the analysis and the conclusions of the study. I also said that we would try, for a printed version of the Supplier's Credits Study, to have a satisfactory statistical annex. This answer to Mr. Toren had been cleared with Mr. Kamarck, Mr. Kalmanoff and yourself.
3. Mr. Toren commented that, in such a situation, the Bank should perhaps issue a revised set of data on external debt. He pointed out that the next conference of UNCTAD in April will have, inter alia, two papers on its agenda (UNCTAD's own analysis of debt servicing burdens and the Bank's Supplier's Credits Study), both based on Bank debt data, but showing different figures. I told him that the field of debt statistics is one in which research is continuous, and that the next Annual Report would bring the situation up to date. Mr. Toren had also asked whether we were contemplating issuing a revised EC-149 report. Mr. Toren then suggested that the Bank representative to the next UNCTAD conference in April make an oral statement pointing out to the possible discrepancy in the data.
4. Mr. Toren also spoke of Mr. de Vries' statement to the meeting of expert groups in New York wherein a draft of UNCTAD's debt servicing burdens analysis was distributed. He felt that Mr. de Vries may not have been aware of the discussion which UNCTAD had with the Bank (Mr. Kalmanoff) at the time the debt analysis was launched. Mr. Toren reminded me that, at that time, the Bank felt that it could not undertake an analysis of debt servicing burdens based on a projection of future external capital requirements, on a country by country basis. I explained to Mr. Toren that, no matter what are the circumstances, an analysis of debt burdens based on future estimates of capital requirements is obviously more meaningful than the one carried out by UNCTAD, and that in any case UNCTAD itself is planning to do precisely such analysis.

February 10, 1967

5. We spent last few minutes of our conversation discussing one technical point. Mr. Toren observed that the expert group mentioned above had rightly suggested that the use of weighted average terms applied to total debt in projections of debt burdens is objectionable. I confirmed this and said that in one recent case I had found that applying weighted average terms for the debt as a whole yielded a short-term debt burden which was considerably lighter than if different weighted average terms had been used on different types of debt. He was very interested, and asked whether I could send him the calculation I had made. I told him that, since the calculation was made on one particular country (Tunisia) and that it was based on confidential data, I was not free to send it to him. He then asked whether I could send it to him without indication of the country to which it referred, and I said that, if I had the time and if I could put my worksheets in a presentable fashion, I might drop a line to him.

cc: Messrs. A.M. Esmarck
B.A. de Vries
G. Kalmanoff
C. Slappey
A. Karahanoglu

Ugo

UNCTAD

OUTGOING WIRE

TO: IRVING FRIEDMAN
CARE BERGUESHOTEL
GENEVA

DATE: FEBRUARY 9, 1967

CLASS OF
SERVICE: LT

REF

COUNTRY: (SWITZERLAND)

TEXT: TWO

Cable No.: PARA ONE RE ROLLING PLANS FOR QUICK BACKGROUND SEE PAGE 43 OUR STUDY AND PAGES 139 TO 141 WATERSTONS BOOK QUOTE DEVELOPMENT PLANNING UNQUOTE UNDOUBTEDLY AVAILABLE UN LIBRARY STOP MACONE SURVEY RECENT EXPERIENCE REVEALS NOTHING SIGNIFICANT TO ADD WATERSTON STUDY RE COUNTRIES CITED THEREIN OR GENERAL FINDING THAT ROLLOVER PRINCIPLE OFTEN DESIRED BUT DIFFICULT IMPLEMENT STOP IN RECENT YEARS REVISIONS OF PLANS IN MIDSTREAM TYPICALLY REFLECTED BREAKDOWN OLD PLAN AND DESIRABILITY REPLACE WITH NEW ONE RATHER THAN SYSTEMATIC IMPLEMENTATION PREAGREED ROLLOVER PRINCIPLE STOP OUR SURVEY DISCLOSED ONLY ONE PAST CASE WHERE ROLLING PLAN ACTUALLY OPERATIVE WITHIN STRICT MEANING OF TERM NAMELY SUCCESSIVE FOUR YEAR PLANS PARENTHESIS PUBLIC SECTOR PROGRAMS PARENTHESIS FEDERATION RHODESIA NYASALAND DURING PERIOD 1953/54 TO END FEDERATION 1963 STOP REVIEW AND REVISION EACH PLAN AFTER TWO YEARS OPERATION RESULTED IN SUCCESSIVE NEW FOUR YEAR PLANS BEGINNING 1955 1957 1959 STOP HOWEVER EEC ECONOMIC PLAN FOR 1966 TO 1970 ANNOUNCED FEBRUARY 8 CHARACTERIZED AS ROLLING PLAN TO BE REVISED AND EXTENDED EVERY TWO YEARS PARA TWO RE CHARTS USED HARVARD LECTURE UNDERSTAND ONE SET INCLUDED YOUR BACKGROUND MATERIAL

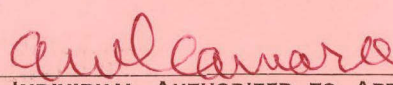
KAMARCK

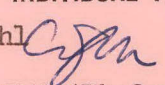
NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME ANDREW M. KAMARCK

DEPT. ECONOMICS

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

AJMacone/hl 

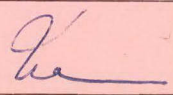
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Cleared: Mr. C. H. Thompson 

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CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: Feb. 8, 1967

TO: Mr. Hoffman

FROM: W. R. Malinowski
UNCTAD

FILED UNDER: TOURISM

SUMMARY: Ack. letter of Jan. 24 requesting addition of short paragraph to updated paper on tourism.

OFFICE MEMORANDUM

TO: Files

DATE: February 8, 1967

FROM: H. G. Carter *HC*

SUBJECT: Expert Meeting on Long-term Economic Projections
Organized by the UN-UNCTAD (New York, January
24-27, 1967)

This meeting was held for the purpose of discussing with a group of expert advisors a number of country models on long term economic projections prepared by the UNCTAD secretariat. A list of these experts is attached to this memorandum as it is a list of the papers presented, copies of which have been deposited in research files. Also attached is a list of observers from the Bank, ECLA, ECA, OECD, and FAO. The meeting was chaired by Mr. Jacob Mosak of the U. N. Department of Economic and Social Affairs and by Mr. Sidney Dell, head of the New York office of UNCTAD. The meeting was a sequel to a similar one held last March (see memo of Mr. de Vries to files of March 21, 1966).

The overall technical quality of the country models was good, although they lacked the uniformity suggested by the advisors at the last meeting. The country projections were based on extrapolation of past trends. These extrapolations make no allowance for favorable changes in policy (as is done in several Bank country appraisals). In the few cases (eg. Tunisia and Iraq) where their own expertise was sufficient to allow non-statistical estimates to be incorporated, the presentation was poor enough to invite the impression of uninformed ad hoc judgments.

Of much greater interest both to UNCTAD and to the advisors were various questions on methodology, arising from the discussion. Following is a summary of some of the more important issues that were raised.

Reconciliation of the gaps

This discussion focused both on the mechanism of gap reconciliation and also on the policy question as to which gap should be regarded as indicative of the need for aid. UNCTAD, seemed to feel that estimates of the capital needs should be based on the larger gap, and to assume that the smaller gap would adjust to meet the larger one. Representatives of the donors (AID, OECD) felt that if the country was fortunate it might receive aid for the smaller gap. The experts then went on to say that the gaps were not independent of each other and that it was likely that the trade gap was the most important measure of aid needs regardless of its size in relation to the savings-investment gap. Several plausible adjustment mechanisms were advanced including price movements, import substitution and variable rates of growth. It was also felt that it might be useful to shift the emphasis from independent gap estimation to the quantification of policy parameters that would allow gap reconciliation.

Input-output techniques (the question of disaggregation)

UNCTAD felt that it might be useful, in cases where the data would permit, to explore the gap projections on a more disaggregated basis, principally through input-output analysis. It was found that this presented more problems than it solved and that, while aggregate models and input-output techniques were not inconsistent in principle, the results for the aggregate and disaggregated models did show discrepancies. It was suggested by the experts that the data base was probably deficient and that detailed input-output analysis (say of the order of 25 or higher) was not worth the extra time and effort required. It was pointed out that in developed countries the behavior from input-output models was almost linear and that in less developed countries the structural changes make the system non-linear and discontinuous. It was generally felt that disaggregation if used at all should not go beyond a few sectors: In this purpose it might be useful to apply a simple input-output table.

Debt-Service

This discussion centered around a paper prepared by UNCTAD, showing projections of prospective debt services based on existing debt information (as tabulated by the IBRD) and certain simple assumptions as to the increment of new debt. It was generally agreed that the paper did not come to grips with the complicated problem of the level and terms of the indebtedness of developing countries.

Sensitivity

This point was raised in the general context of data paucity and the results on gap model projections. It was felt that it might be useful to undertake some sensitivity analysis in order to see just what parameters were most important to the results and thus what types of data were more essential to have as accurately as possible. Various suggestions as to the technique were brought forth ranging from a simple historical, upper, and lower value for parameters to a complete Monte Carlo analysis. It was generally felt that the ranges tried out in these tests should be based on realistic assumptions - eg. past fluctuations in the parameters or likely changes in the future.

Aggregation

This concerned the question of how to add up the results of the country models and thus arrive at an overall estimate of aid needs. There were two main points raised, first that for the countries which had models a simple addition might not be accurate as there is some degree of interdependence between countries, and second that there would be a problem of estimating the countries for which studies could not be made. It was felt that to estimate these missing countries on a trade or GNP share would be inaccurate and that perhaps share of aid in the base period might be a better measure. As for interdependence it was felt that the most important thing was to arrive at a set of consistent export projections based on worldwide commodity models and then to base individual

country projections on the implications of the commodity papers. Along this line aggregation might proceed by countries in similar commodity or trading groups. Finally a preliminary draft paper showing some experiments in regional aggregation was presented. However, it was felt that there were too many technical problems with it at this point for any conclusions to be drawn.

Towards the end of the session Mr. Strout (AID) presented his very preliminary thoughts on a new model which explains growth as a function of available foreign resources. Copies of a description of this model can be obtained from Mr. Hawkins' office.

MCarter/te

Clearances and cc:

Mr. de Vries

Mr. Hawkins

cc: Mr. Kamarck

Mr. Sacchetti

Mr. King

Economic advisers area department

Experts

Mr. Lawrence Klein
Department of Economics
University of Pennsylvania
Philadelphia, Pennsylvania 19104

Dr. K. Porwit
Deputy Director
Institute of Economic Research
of the Planning Commission of
the Council of Ministers
Plac 3, Krzyzy No. 3/5
Warsaw, Poland

Mr. Robin Marris
Director, World Economics Division
U. K. Ministry of Overseas
Development
Eland House, Stag Place
London, S.W.1

Mr. Alan Strout
Acting Chief, Policy and
Planning Division
Office of Programme Co-ordination
U.S. Agency for International
Development
Washington, D.C. 20523

Observers

Mr. P. J. Francois
Indicative World Plan
Food and Agriculture Organization
of the United Nations

Mr. Mullier
Economic Commission for Africa

Mr. Barend de Vries
Deputy Director
Economics Department
International Bank for Reconstruction
and Development

Mr. Ted Hawkins
Economic Department
International Bank for Reconstruction
and Development

Mr. Edgar Kroll
Development Department, O.E.C.D.

Mr. F. Azorin
and
Mr. E. Alves
Latin American Centre for
Economic Commission for Latin America

Dr. Bela Belassa
Advisor
Economics Department
International Bank for Reconstruction
and Development

Mr. Nicholas Carter
Economics Department
International Bank for Reconstruction
and Development

BIBLIOGRAPHY OF UNCTAD PAPERS

Methodology

An Econometric Framework for Inter-Country and Inter-Regional Analysis.
(Some Preliminary and Partial Experiments). Kanta Marwah UNCTAD

The Outlook for Debt Service. V.K. Sastry and V. Massaro. UNCTAD

Output-Input Ratio. M. Tomaszowski. UNCTAD

Country Papers

Africa

Trade and Development Prospects of Ghana 1970, 1975. UNCTAD.
(Original in French--"Un Modele pour la Projection du Deficit de la Balance Commerciale du Ghana." M. Cissoko, with an introduction in English.)

A Study of Trade Gap Projections for Nigeria: An Econometric Approach.
Nassau A. Adams

Projections de la Balance Commerciale du Senegal pour les annees 1970-75
M. Cissoko. UNCTAD

Trade and Development Prospects of Tunisia 1970, 1975, UNCTAD. (Original in French--"Modele de Projection de l'Economie Tunisienne en 1970 et 1975." H. Ben-Amor, with an introduction in English.

Latin America

Trade and Development Prospects of Argentina. A Report of Research in Progress. J. Gomez UNCTAD (with an Addendum on the sectoral models).

The Role of the External Sector in the Economic Development of Central America. Latin America Institute for Economic and Social Planning. Santiago, Chile. August 1966. (Original in Spanish).

Central America. Analysis and Projection of the External Bottleneck in Development. Part I and Part II. Latin American Institute for Economic and Social Planning. Santiago, Chile.

Colombia. Long-term Economic Projections. ECLA.

Trade and Development Prospects of Peru. An aggregate model. J. Gomez. UNCTAD.

Venezuela. Long-term Economic Projections. ECLA.

Middle East

Projection of Jordan's Foreign Trade 1970, 1975. Taher H. Kanaan. UNCTAD.

Projection of Iraq's Foreign Trade 1970, 1975. An aggregative econometric approach. Taher H. Kanaan. UNCTAD.

Preliminary Observations on a Dynamic Input-Output Projection Model for Iraq. Taher H. Kanaan. UNCTAD

Asia

Projections of the Trade Gap for China (Taiwan) to 1970 and 1975. A. Ghezellbash. ECAFE

A Case Study of Trade Gap Projection: Indonesia. Chinnawoot Soonthornsima and Takeshi Imagawa. ECAFE.

Projections for Malaysia. (Prepared by a consultant to UNCTAD)

Projections for the Trade Gap for Pakistan to 1970 and 1975. Takeshi Imagawa. ECAFE.

Analysis and Projections of the Trade Gap for Thailand. Chinnawoot Soonthornsima. ECAFE.

OUTGOING WIRE

TO: SARMA
~~HOTEL DES~~ BERGUES HOTEL
GENEVA

DATE: FEBRUARY 7 1967

CLASS OF FULL RATE
SERVICE:

RCH

COUNTRY: SWITZERLAND

TEXT:

Cable No.: ONE ARRIVING GENEVA TWELVE THIRTY WEDNESDAY DELAYED DUE TO SNOWSTORM STOP

PLEASE ADVISE CHAIRMAN

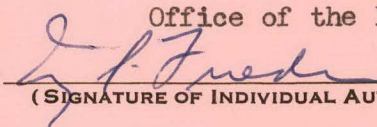
FRIEDMAN

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Irving S. Friedman

DEPT. Office of the President

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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COMMUNICATIONS

DEPT OFFICE OF THE PRESIDENT

NAME FRANK G. BLEDMAN

FEB 7 3 55 PM 1967

MESSAGE AUTHORIZED BY

STANDARD AND COPY DISTRIBUTION

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RECEIVED

PLEASE ADVISE CHAIRMAN

COPY NO: ONE VITIATING GENERAL JAMES JIMMY MEDICEDNA DELAYED DUE TO SLOWDOWN STOP
TEXT

COMMITTEE SMITHSONIAN

GENERAL
HOTEL 222 BERGUES HOTEL

TO: SMITH

SERVICE
CLASS OF LAST NAME

DATE: FEBRUARY 3 1967

OUTGOING MIKE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

Mr. van Wagenen

February 6, 1967

Michael L. Hoffman

Mr. Woods asked to have the attached letter circulated to new Executive Directors and Alternates because he thought it provided a good review of the Bank's experience over the years in dealing with borrowers. You may wish to consider giving it to the young professionals for the same reason. Additional copies can be obtained from Mrs. Beaudry, ext. 3595.

MLHoffman/pnn



(Re: Letter dated January 23 from Mr. Demuth to Dr. Raul Prebisch, Secretary-General, UNCTAD.)

Mr. Adler

February 6, 1967

Michael L. Hoffman

Mr. Woods asked to have this letter circulated to new Executive Directors and Alternates because he thought it provided useful background on the Bank's experience over the years in dealing with borrowers. You may also find it useful in connection with seminars on the Bank.

MLHoffman/pnn

(Re: Letter dated January 23 from Mr. Demuth to Dr. Raul Prebisch, Secretary-General, UNCTAD.)

MLH

Area Departments
Projects Department

February 6, 1967

Michael L. Hoffman

At Mr. Woods' request, this letter was circulated to new Executive Directors and Alternates. It contains a brief account of the Bank's experience over the years in establishing suitable relationships with borrowers. It occurs to me that the relatively new members of the professional staff as well as new Executive Directors might find the letter useful as background for their work. Additional copies can be obtained from Mrs. Beaudry, ext. 3596.

(Letter dated January 23 from Mr. Demuth to Dr. Raul Prebisch, Secretary-General, UNCTAD.)

MLHoffman/pnn

NSH

cc: Mr. Alter
Mr. Cargill
Mr. Cope
Mr. El Emary

Mr. Aldewereld

Mr. Graves

February 6, 1967

Michael L. Hoffman

Mr. Woods asked to have the attached letter to Dr. Prebisch circulated to all new Executive Directors and Alternates because he thought it contained a good statement of the Bank's experience over the years in dealing with borrowers. You may find some of the language usable in speeches or other statements.

MLHoffman/pnn

A handwritten signature in blue ink, appearing to be 'MLH', is written over the typed name 'MLHoffman/pnn'.

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 6, 1967 1818

LOG NO.:

WU 29/6

TO:

FRIEDMAN INTBAFRAD

FROM:

GENEVA

ROUTING

ACTION COPY:

MR. FRIEDMAN

INFORMATION
COPY:

DECODED BY:

TEXT:

DISCUSSIONS GOT OFF TO QUICK START. SEVERAL REFERENCES TO COST ESTIMATES.

YOUR ARRIVAL WEDNESDAY NECESSARY. CHAIRMAN MERMOLJA REQUESTS IT.

LUNCH MR. PREBISCH FIXED FRIDAY

SARMA

NA

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 5, 1967

1324

LOG NO.:

RC 29/6

TO:

FRIEDMAN INTBAFRAD

FROM:

GENEVE

ROUTING

ACTION COPY:

MR. FRIEDMAN

INFORMATION
COPY:

DECODED BY:

TEXT:

ARRIVED GENEVA PLEASE INFORM FAMILY

SARMA

FAMILY NOTIFICATION HAS BEEN MADE.

FCA

February 1, 1967

Mr. B. Toren, Chief
Financing for Trade Section
UNCTAD
U.N. Headquarters
New York, N. Y.

Dear Mr. Toren:

I am sorry for the delay in writing you on your interesting paper on "Projection of Debt Service, 1966-1976". We have talked over the telephone about many of the factual issues involved in the paper. These were also discussed with Prof. Zandano and Mr. Massaro, during their visit to the Bank last year.

There is only one comment I would like to make on the paper itself. It would be interesting if the paper would also discuss, and derive the implications of, using average terms of borrowing that, given present trends in international development finance, are likely to be applied in the future. This would give, in my opinion, additional focus to the paper's results by pointing out the absolute amounts of additional gross disbursements needed for any (realistic) hardening of the terms of assistance.

Passing to another subject, as agreed in our recent telephone conversation, we shall soon send you three copies of the errata to be issued for the study on "Suppliers' Credits From Industrialized to Developing Countries".

Sincerely,

Paolo Leon

PLEon:yd

1967 FEB -5 PM 2:03

COMMUNICATIONS
RECEIVED
RECEIVED

1967 FEB -2 PM 5:07

БЪЛОТО ГЕОМ

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year less.
 But, whenever you Mr. Menzies' country meets after so the very
 reason translated in the Bible. These were also questioned after
 me with respect to the celebration upon which of the lastest
 interesting Bible on "Illustration of the Galatians' Text-Verse".
 I am sorry for the delay in writing you on home.

DESL ML' LOUGH:

NEW YORK, N. Y.
 J. M. HENNINGSEN
 AMCLVD
 MINISTERIE FOR LARGE SECTIONS
 N. Y. LOAN, OUTST.

БЕРЛИНГЛА Г² ГДЕ!

CROSS REFERENCE SHEET

COMMUNICATION: Memo

DATED: Feb. 1, 1967

TO: Files

FROM: Badri Rao

FILED UNDER: OECD/DAC

SUMMARY: Meeting with Mr. McPheeters of DAC.

FEB 7 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

31 January 1967

Dear Mr. Woods,

..... I have pleasure in enclosing, for your information, copy of a note verbale sent to all States members of UNCTAD regarding the draft provisional agenda for the second session of the United Nations Conference on Trade and Development.

Yours sincerely,

Raúl Prebisch
for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington 20433, D.C.
USA

1021 FEB -1 AM 11:24

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COMMUNICATIONS

1967 FEB -7 AM 11:54

02V
Washington 20433, D.C.
1818 H Street, N.W.
International Finance Corporation
President
Mr. C.D. Moore

Secretary-General
Bert Perlmutter

Yours sincerely,

Nations Conference on Trade and Development.

The first provisional agenda for the second session of the United
of a note verbatim sent to all States members of UNCTAD regarding

..... I have pleasure in enclosing for your information copy

Dear Mr. Moore,

REF. No: LDO 533 (509)

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 313 or 33 344

Teletypes: DIVISIONS' SERVICE

31 January 1967

CH-1311 SERVICE 10 -
Bureau des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

FEB 1 REC.D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



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CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

and has the honour to refer to his communication dated 26 October 1966 (TDO 233 (2nd)) concerning the draft provisional agenda for the second session of the United Nations Conference on Trade and Development in which he asked that comments, observations or recommendations with respect to this matter should, if possible, reach him by 1 March 1967.

His Excellency will recall that on 22 December 1966 the Secretary-General of UNCTAD sent a cable (TDO 210) to all States members of UNCTAD notifying them of the calendar of UNCTAD meetings for 1967 revised by the Trade and Development Board at its second special session on 21 December 1966, in view of the decision of the General Assembly to hold the second session of the United Nations Conference on Trade and Development from 1 February to 25 March 1968 in New Delhi (General Assembly resolution 2206 (XXI)). The new calendar allows more time for preparation for the second session of UNCTAD and, in particular, for the submission by Governments of comments on the draft provisional agenda to the Board at its fifth session, which is now to be held from 15 August to 8 September 1967 in Geneva. Consequently, the Secretary-General of UNCTAD would be grateful if His Excellency's Government could forward such submissions to him not later than 1 June 1967. The draft provisional agenda of the second session of the Conference, as approved by the Board at its fourth session, is annexed for easy reference. The text of the above-mentioned General Assembly resolution 2206 (XXI) on the Second session of the United Nations Conference is also attached.

31 January 1967

Ehe



TDO 233 (2nd)

Annex

Draft provisional agenda for the second Conference,
as approved by the Board at its fourth session

- I. TRENDS AND PROBLEMS IN WORLD TRADE AND DEVELOPMENT
 - (a) Review of recent developments and long-term trends, implementation of the recommendations and other provisions of the Final Act of the first conference - consideration of further action.
 - (b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development (see Annexes A.I.1; A.I.2 and A.I.3 of the Final Act of UNCTAD, 1964).
 - (c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.
 - (d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.
- II. COMMODITY PROBLEMS AND POLICIES
 - (a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first conference.
 - (b) Main elements of commodity policy including international commodity arrangements and other techniques of commodity market stabilization^{1/}.

^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

- (i) operation and financing of buffer stocks;
 - (ii) role and financing of diversification programmes;
 - (iii) basic principles and guidelines for pricing policy designed to maximize receipts from export of primary commodities.
- (c) Programme for the liberalization and expansion of trade in commodities of interest to developing countries.

III. EXPANSION AND DIVERSIFICATION OF EXPORT OF MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES

- (a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.
- (c) Programme for the liberalization and expansion of trade in manufactures and semi-manufactures of interest to developing countries.
- (d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNOID aimed at the establishment and expansion of export oriented industries in developing countries; other forms of economic, industrial and technical co-operation.
- (e) Arrangements leading to the reshaping of the existing international division of labour

IV. GROWTH, DEVELOPMENT FINANCE AND AID (SYNCHRONIZATION OF INTERNATIONAL AND NATIONAL POLICIES)

- (a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Financial resources and requirements of developing countries.
 - (i) measures for increasing the flow of international public and private capital to developing countries
 - (ii) measures for improving the terms and conditions of aid
 - (iii) measures for dealing with the problem of international indebtedness

- (c) Supplementary financial measures.
- (d) Compensatory financing^{2/}.
- (e) /Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries^{7/}.

V. PROBLEMS OF DEVELOPING COUNTRIES IN REGARD TO INVISIBLES INCLUDING SHIPPING

- (a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the First Conference.
- (b) Level and structure of freight rates, Conference Practices and adequacy of shipping services - progress report on studies by the Secretariat.
- (c) Shipping Industry in developing countries including expansion of merchant marines of developing countries.
- (d) Consultation Machinery in Shipping.
- (e) Port Improvements. Progress report on studies by the Secretariat.
- (f) /International legislation on Shipping^{7/}.
- (g) Transfer of technology, including know-how and patents.

VI. TRADE EXPANSION AND ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES, MEASURES TO BE TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES - INCLUDING REGIONAL, SUBREGIONAL AND INTER REGIONAL ARRANGEMENTS

VII. SPECIAL MEASURES TO BE TAKEN IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES AIMED AT EXPANDING THEIR TRADE AND IMPROVING THEIR ECONOMIC AND SOCIAL DEVELOPMENT

VIII. GENERAL REVIEW OF THE WORK OF UNCTAD

- (a) Activities of the organs of the Conference.
- (b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

2/ Reservation entered by Group B concerning the need for a specific sub-item on this subject.



RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

2206 (XXI). Second session of the United Nations
Conference on Trade and Development

The General Assembly,

Considering that the second session of the United Nations Conference on Trade and Development will provide a forum for the further examination of major issues of trade and development, including the consideration of further action for the implementation of the recommendations adopted at the first session,

Emphasizing the need for the Conference, at its second session, to concentrate in particular on a limited number of fundamental and specific subjects with a view to achieving practical and concrete results by means of negotiation aimed at securing the greatest measure of agreement,

Stressing the need for adequate preparatory work to ensure the success of the second session of the Conference,

Expressing the hope that the preparation for the second session of the Conference will result in new and determined efforts on the part of all States members of the Conference to achieve substantial progress both in the implementation and in the further elaboration of international policy on development,

Noting with interest the recommendation of the Assembly of Heads of States and Governments of the Organization of African Unity at its third session, held at Addis Ababa from 5 to 9 November 1966, that a meeting of the developing countries should be held at the ministerial level to prepare for their participation in the second session of the United Nations Conference on Trade and Development,

1. Decides to convene the second session of the United Nations Conference on Trade and Development at New Delhi from 1 February to 25 March 1968;

2. Calls upon the Trade and Development Board and its subsidiary bodies to take into account the objectives outlined in the first three paragraphs of the preamble of the present resolution in their preparations for the second session of the Conference, and to attempt to identify the issues on which preparatory work will have progressed sufficiently to enable specific programmes of action to be drawn up at the Conference by means of negotiation aimed at securing the greatest possible measure of agreement;

3. Urges the Governments of the States members of the Conference to ensure effective participation in the Conference and to make the maximum efforts, both in their preparations for the Conference and during its deliberations, to ensure its success, bearing in mind the objectives referred to above;

4. Invites the specialized agencies, the International Atomic Energy Agency, the United Nations Development Programme, the United Nations Industrial Development Organization, the regional economic commissions and the United Nations Economic and Social Office in Beirut to pay special attention, in their programmes, to preparations for the second session of the Conference, and to take such steps as may be feasible to extend their full co-operation in ensuring its success;

5. Requests the Secretary-General of the Conference to begin forthwith the preparatory work for the second session in the light of the guidance given by the Trade and Development Board and its subsidiary bodies, which will meet in the interim, in co-operation wherever possible with the regional economic commissions, the Economic and Social Office in Beirut and the appropriate international organizations.

1497th plenary meeting,
17 December 1966.

IDA	IBRD	IFC
FORM NO. 92 (10-61)		
CORRESPONDENCE RECORD FORM		
FROM United Nations Conference on Trade and Development Geneve		DATED Jan. 27, 1967
SUBJECT Acknowledging the receipt of a report of the mission to Tunisia and other documents and advising Mr. Kalmanoff of a sent documents under separate cover regarding UNCTAD. Addressed and		
REFERRED TO Mr. Kalmanoff		DATE RECEIVED Jan. 30, 1967 mp

UNCTAD *Handwritten notes and signatures*
(by Feb. 10 pls.)

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

OFFICE OF THE SECRETARY-GENERAL OF THE CONFERENCE

REF. NO.

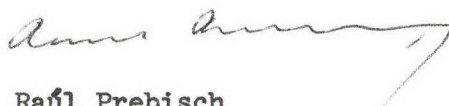
TDS 213 (1)
Ctd. Invis. 2nd Sess:

26 January 1967

Dear Mr. Demuth,

Many thanks for your letter of 23 January 1967, commenting on problems experienced at various stages of the aid-giving process. I quite agree that our inquiry into this matter is designed to deal with the subject in general terms, and not in relation to specific lending operations. Your letter will be most helpful in preparing our report on this matter.

Yours sincerely,


Raúl Prebisch

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

1001 10030 UNIO: 31

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1967 JAN 30 AM 10:37

Mr. Richard H. Demuth

1818 H Street, N.W.

and Development

International Bank for Reconstruction

Development Relations Department

Director

Mr. Richard H. Demuth

Dear Mr. Demuth:

Yours sincerely,

Most regretful in expressing our regrets on this matter.
Specific pending objections. Your letter will be
addressed in General terms and not in relation to
individuals into this matter is designed to deal with the
of the air-riding process. I have agreed that our
commenting on programs experienced at various stages

Many thanks for your letter of 27 January 1967.

Dear Mr. Demuth:

27 January 1967

CC: INAGS and Regs:

IDS STS (T)

OFFICE OF THE SECRETARY GENERAL OF THE CONFERENCE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

CABLE ADDRESS: UNCTAD, NEW YORK • TELEPHONE: UNCTAD/1001

TELEPHONE: UNCTAD/1001

NEW YORK

UNITED NATIONS



UNITED NATIONS

IDA	IBRD	IFC
FORM NO. 92 (10-61)		
CORRESPONDENCE RECORD FORM		
FROM		DATED
R. Krishnamurti UN Conference on Trade and Development Geneva, Switzerland		Jan. 24, 1967
SUBJECT		
Letter acknowledging receipt of comments on the UNCTAD reports on trade expansion, economic co- operation and integration among developing countries Addressed and		
REFERRED TO		DATE RECEIVED
Mr. Friedman		Jan. 31, 1967 jgv

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: January 24, 1967

TO: Mr. W. R. Malinowski
Director
Division for Invisibles
UNCTAD

FROM: Mr. Lind

FILED UNDER: Studies - International Tourist Trade

SUMMARY: Re: Paragraph added to updated paper on Tourism.

P + P

Dev.

UNCTAD

- Studies

Int. Tourist Trade

January 23, 1967

Mr. Sydney Fairmont
United Nations Conference
on Trade and Development
Palais des Nations, Room A-561
1211 Geneva 10, Switzerland

Dear Sydney:

Many thanks for your letter of January 13 with the enclosed copy of Mr. Malinowski's letter to Mr. Hoffman of January 12.

On Spain, I still want to pass on to you a remark about your report made informally by Mr. Gutierrez Cano. He felt that your comments in paragraph 84 on the merits of developing the Almeria versus the Huelva regions do not give adequate weight to differences in climate. From a climatic point of view (temperature of water, impact of storms) Almeria apparently is more attractive than Huelva. You may like to take this comment into account in case you are to make some further changes in your report for UNCTAD's purposes.

On UNCTAD's further work in the field of tourism and the question of Bank-UNCTAD cooperation I shall be interested to see what proposals will emerge. On the Bank's side, the matter is under review in the Economics Department and I expect that on substantive issues Mr. Malinowski and you will deal in particular with them. However, the Europe and Middle East Department will want to follow developments closely in view of the big stake of tourism in the Mediterranean area.

On documents or other information, do not hesitate to call on us if you think we can be of assistance.

With best wishes,

Yours sincerely,

Marinus van der Mel
Europe and Middle East Department

cc: Mr. Thompson
Mr. Kalmanoff

IBRD *MvM*
MvanderMEL:ee

January 23, 1967

Dr. Raul Prebisch
Secretary-General
United Nations Conference
on Trade and Development
United Nations
New York

Dear Dr. Prebisch:

I am replying to your letter of November 21, 1966 (TDO 280), to Mr. Woods, inviting the comments of the International Bank for Reconstruction and Development (the Bank) concerning difficulties which it may have experienced at one or another stage of the aid-giving process. Our comments are solicited for purposes of the contemplated exploration, by the Committee on Invisibles and Financing Related to Trade, of administrative and operational difficulties encountered by international aid agencies and governments of donor and recipient countries.

You will agree, I am sure, that it would not be appropriate for the Bank to respond to your inquiry in terms of specific lending operations. I can, however, describe certain broad areas in which the Bank and various of its borrowers have felt that conditions could be improved. I may add that efforts to this end have been and continue to be made on both sides.

Your letter mentions, among other stages of the aid-giving process, the preparation of requests by the recipient country. This is an area which has caused concern from the Bank's earliest years. I refer here rather to the substance of the application for assistance than to the provision of information, although the latter is sometimes also the source of some difficulty, as indicated below.

At the very outset of operations, we found that requests for assistance, although framed in terms of projects, were frequently little more than shopping lists, with no indication of the relative developmental priority of the projects listed. Sometimes we were presented with what amounted to merely a notion of a possible project, not one prepared so that the need for funds, manpower and equipment could be foreseen, or so

that it could proceed promptly once the necessary financing was assured.

The first problem was therefore to convince governments that it was neither in their interest nor consistent with the Bank's obligations under its Articles of Agreement to commit scarce resources to projects bearing no relation to a reasonable set of national priorities and unsupported by any evidence of feasibility.

A second problem, which of course had to be tackled simultaneously, was how to provide governments with objective advice to assist them in making the necessary determinations of priority and in identifying, preparing and carrying out development projects.

The range of the Bank's technical assistance activities over the years has been largely determined by our efforts to cooperate in solving these two broad types of problems. For example, the economic survey mission was designed to help the government of the host country analyze the national economy and formulate a development program. There continues to be a need for development program and planning assistance, but the capacity of most of the Bank's developing country members to formulate such a program has greatly improved, and technical assistance in this field is now forthcoming from a wide variety of sources other than the Bank. The Bank does, however, maintain a specialized unit to provide expert advice to governments on the organization of planning, planning procedures and the requirements for effective implementation of development plans.

At the present stage in the Bank's history a much more acute need is for the development of techniques and training in identifying projects and bringing them to the point of readiness for financing and execution. Among the Bank's technical assistance activities designed to attack this range of problems are the financing and organization of project and sector studies, including those carried out as Executing Agency for the UN Development Programme; the institution of cooperative programs with FAO and Unesco; the establishment of regional missions in Western and Eastern Africa; the creation of an Agricultural Development Service in Eastern Africa; and the addition of courses on project evaluation to the curriculum of the Economic Development Institute.

Problems or difficulties often arise at later stages of the lending process. As you know, Bank loans and International Development Association (IDA) credits are made for projects of high economic priority which will make a significant contribution to the economy of the borrowing country and will increase the borrower's repayment capacity. In addition, the Bank must be satisfied that the project itself is well conceived and well engineered, and that it will be well managed and appropriately financed. This means that, before a decision to lend can be taken, the Bank must familiarize itself with

the prospective borrower's economy and prospects, in particular the extent to which additional foreign indebtedness can prudently be incurred, whether on Bank or IDA terms. This inquiry may lead the Bank to conclude that the developmental objective cannot be achieved unless certain changes are made, or innovations instituted, in the country's economic or fiscal policies. Assuming that the Bank concludes, in principle, that assistance should be extended and that the proposed project is appropriate for Bank or IDA financing, it directs its attention to the specific project. This examination may in turn lead to proposals for modification of certain technical aspects of the project, for changes in the projected financial or administrative arrangements, or to other revisions of the original plan.

The breadth and depth of our inquiries sometimes disconcert new borrowers. Some of the proposed conditions may appear to them to have little or too remote a connection with the project for which financing is sought and are resisted because they would postpone the start of the project. Over time, borrowers become better acquainted with the reasons for the Bank's requirements and in most cases a close relationship with the Bank develops. This is probably largely because the Bank, having no interest or purpose other than the orderly development of its member countries, has no reason to request information other than information that the borrower itself needs to have in order to carry out the project, and has no reason to impose pre-conditions for financing other than those which it believes that the borrower, in its own interest, should endeavor to meet.

But quite apart from the matter of understanding and appreciating the purpose of the Bank's investigations and the reasons for such conditions as the Bank considers to be necessary, it is not always easy for borrowers to comply with the conditions, or to satisfy them promptly. Sometimes the conditions call for action which is politically difficult. For example, they may require a change in the tax laws, a revision of power rates, the establishment of an autonomous authority to administer the project, or the employment of a foreign manager because no national with the requisite qualifications is available. Even when the conditions are accepted by the executive branch of the government, it may be hard to persuade the legislature to take the steps essential on its side.

There are sometimes difficulties of a different character. Sometimes the funds required for that part of the project which should appropriately be financed locally are not readily available. Not infrequently a borrower is reluctant to make use of technical services where this means engaging foreign consultants or, having engaged such services, does not make the best use of them. Sometimes there are administrative difficulties in the borrowing countries, where shortages of personnel, complex and outmoded administrative practices and similar hindrances may cause delay. The President of the Bank, Mr. Woods, in an Annual Meeting address, once cautioned that external assistance could not be effective unless governments were committed to simplifying

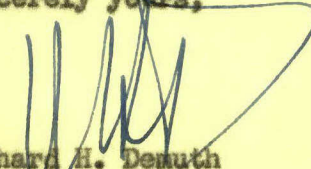
January 23, 1967

administrative practices and giving project work appropriate priority in the allocation of admittedly scarce personnel resources. The sheer difficulty of communications with some areas imposes delays which are probably inevitable in any institution operating on a world scale, but which we may hope, in time, to find less burdensome. All of these considerations add to the time which elapses between the start and the completion of a loan operation.

Spokesmen for developing member countries from time to time, notably at the Bank's Annual Meetings, suggest that the Bank's own procedures are a source of difficulty, that they are bureaucratic and involved and that they slow the tempo of development. They urge that the procedures be simplified and that disposition of loan applications be accelerated. To the extent that these criticisms reflect the view that the Bank should speed up its procedures at the cost of a significant reduction in the quality of financing done by the Bank and IDA, we believe that they must be firmly rejected. The Bank has had a good deal to do with establishing internationally accepted standards of soundness in the field of development finance, and it would be a disservice to all its members, developing as well as developed countries, were it to contribute to undermining these standards. Subject to this overriding consideration, however, the Bank is constantly at pains to streamline its own procedures, as Mr. Woods noted in the Annual Meeting address referred to above. For instance, a system has recently been instituted under which a target date for the completion of each stage in a loan operation is fixed at the outset of that operation; these forecasts are periodically reviewed with the object of assuring as close compliance as possible with the original schedule. A few months ago, a staff committee completed a comprehensive review of the Bank's disbursement procedures to consider what changes might be advisable to accommodate operations which have expanded in scope and which have changed in nature over the years. Certain revisions were proposed and are being given effect.

I hope that these necessarily generalized comments will prove useful to the Committee in its undertaking. As you requested, I am sending this reply to the New York Liaison Office of UNCTAD.

Sincerely yours,


Richard H. Demuth
Director

Development Services Department

85B
SEBoskey:tsb

cc: Mr. Woods
Mr. Consolo

Cleared with and cc:
Mr. Knapp/Mr. Aldewereld

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: January 20, 1967

TO: Mr. Raul Prebisch
Secretary-General
UNCTAD
United Nations

FROM: Mr. Woods

FILED UNDER: Suppliers' Credits

SUMMARY: Attaches copy of Study prepared by Bank staff on Suppliers' Credits.

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING

SSM/M/67-3

DATED: Jan. 20, 1967

TO:

FROM:

FILED UNDER: SENIOR STAFF MEETING

SUMMARY:

BANK - UNCTAD STUDIES

5. Mr. Friedman reported that:

- (a) The Bank's study of suppliers' credits would be issued on January 20, and UNCTAD would arrange for it to be considered at an April meeting of the Committee on Trade and Invisibles. DAC would also review the study in the near future.
- (b) The intergovernmental group set up by the UNCTAD Committee on Trade and Invisibles (SSM/66-40) would meet from February 6 to 20 to continue its study of the Bank's proposal for supplementary financing. The postponement of the second UNCTAD Conference from September-October, 1967 to February-March, 1968 made it less urgent for the group to complete its report on the proposal at this stage, and another meeting would be held later.

ROUTING SLIP

Date
January 18, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Raj~~

Thanks

900

Mr. Friedman.

JRF
1/18/67

Action

Note and File

Approval

Note and Return

Comment

Prepare Reply

Full Report

Previous Papers

Information

Recommendation

Initial

Signature

Remarks

May I please have your approval to
the references made to IFC in the second
page of the attached letter to
Mr. Raul Prebisch.

From

Irving S. Friedman

January 19, 1967

Dear Mr. Prebisch:

✓ Mr. Woods has asked me to answer your letter to him dated November 14, 1966 (reference CE/aw), accompanying the reports of an Expert Group and of the UNCTAD Secretariat on trade expansion, economic co-operation and integration among developing countries.

I have read both reports with interest and the following summarizes my comments.

The World Bank group views with great sympathy the efforts of developing countries towards regional co-operation. In his speech at the UNCTAD conference, Mr. Woods stated that: "Two-thirds of the developing countries have populations of less than five million ... for these countries the hope for satisfactory development lies largely in regional arrangements to eliminate trade barriers, enlarge markets and rationalize production among themselves. We in the Bank have long encouraged regional groupings of this kind and will not only welcome but seek out similar opportunities in the future."

The report of the UNCTAD Secretariat makes a number of references to the role of international financing institutions, the most important of which is contained in Chapter III, paragraph 104 where it is suggested that the institutions of the World Bank group might commit themselves to giving priority to financing projects which had been agreed upon as part of a regional investment policy. The report goes on to suggest the Bank group might take a policy decision to seek out such opportunities systematically in the future and that there might be an explicit international declaration of priority support for projects of multinational interest.

I should like to emphasize that the Bank group does endeavor to encourage projects of a multinational character. This is clearly an appropriate attitude for an international financing institution. We have, in fact, made a number of loans and credits

Mr. Raul Prebisch
Secretary-General
United Nations Conference on
Trade and Development
Palais des Nations
Geneva, Switzerland

January 19, 1967

for projects of this kind, for example, our loan for railways and harbors to the East African Common Services Organization, our credits for the railway in Mali and Senegal and our loans for the Indus Basin Project. Projects of this kind are often difficult to arrange but the problem is usually not that of finding the necessary finance but of securing agreement between the countries concerned. However, we do make every effort to secure the necessary agreement for such projects and we shall continue to do so. My only reservation concerning the wording of the report is that it speaks of giving priority to multinational projects over other projects. While we may give some priority to such projects in terms of effort spent upon them we would nevertheless appraise them by the same criteria of economic soundness that we apply to all the projects which we finance. It would, I am sure you would agree, be a mistake to attempt to bring about economic integration by establishing uneconomic projects.

We support the emphasis which the report places on ensuring balanced development within integrating areas (Chapter III, paragraphs 66 and 67, Chapter VII, paragraph 32) and I would like to stress that the development of a regionally balanced infrastructure is of great importance. If approached by a group of countries the IBRD would be prepared to examine the investment program of the group and to provide financial assistance for specific projects in accordance with its policies and procedures.

It is suggested in paragraph 128 that the International Finance Corporation should participate in joint ventures in enterprises forming part of an agreed program of regional integration. Provided that these ventures are economically sound and fall within its normal lending rules, there is no reason why IFC should not participate in them. With regard to the implication in the report that IFC's resources need to be increased, I would like to point out that this has recently been done by means of a substantial loan to IFC from the Bank.

In conclusion I would like to stress again the World Bank's group's interest in regional co-operation among developing countries and its readiness to help in promoting integrated development.

If you wish to discuss any of the questions raised in the report in more detail I should be happy to do so.

Sincerely yours,

(signed) Irving S. Friedman

Irving S. Friedman
The Economic Adviser to the President

Cleared with Mr. Raj

cc: Mr. A. M. Kamarck
Mr. R. B. Steckhan

JHCollier:vms
January 18, 1967

January 17, 1967

Dr. Jacob L. Mosak
Director
Centre for Development Planning
Projections and Policies
United Nations
New York, New York

Dear Dr. Mosak:

Further to Mr. Kamarek's letter of January 6 concerning our representation at your meetings on long-term economic projections, I should like to add Professor Alfred Conrad as an adviser to our group. Professor Conrad has been working closely with us as a consultant on econometric model building and we believe that his attendance at the meetings would be constructive.

Looking forward to seeing you next week.

With my best regards,

Sincerely yours,

Barend A. de Vries
Deputy Director
Economics Department

cc: Mr. Sidney Dell
Director, New York Office
United Nations Conference on Trade
and Development
United Nations, New York

Professor Alfred Conrad
New York University

BAdV:rme

Files

January 17, 1967

A. Karaosmanoglu

Telephone conversation with Mr. Toren of UNCTAD
on the volume of exporters credits

On January 12 I had a telephone conversation with Mr. Toren as requested by Mr. Sacchetti, after having consulted Messrs. Kalmanoff and Leon.

I explained to Mr. Toren that the figure of US\$ 4 billion given in the latest Annual Report of the Bank (P. 34) was a very rough estimate as indicated in the report itself. Further work on the subject, in the course of the study on suppliers' credits, made us believe that the figure could be significantly larger than it actually is. Therefore, in the suppliers' credit study, a draft copy of which Mr. Toren received, only the figures which we could derive from the OECD and the IERD debt reporting system were given. These are US\$ 1 billion, which reflect the net increase for private export credits in 1965, and \$1.4 billion repayments, which include both amortization and interest for the same year. I suggested to Mr. Toren that, on this basis, they could make their own assumptions, and that their assumptions would be as good as any we could make, because of the nature of the data available.

Mr. Toren said that he would blow up an OECD figure at US\$ 2.3 billion for the total flow of exporter credits on the basis of a statement we have in the draft of the suppliers' credit study to the effect that non-guaranteed exports credits are probably 1/4 of the total. In this way, a figure around US\$ 3 billion is arrived at. He asked my opinion on it. I said as my personal opinion if that is given as the probable largest volume of these credits it would be satisfactory, but I repeated that as the Bank we do not have anything to substantiate or repudiate it.

cc: Messrs. Sacchetti
Kalmanoff

AKaraosmanoglu:fjm

Mr. B. Balassa

January 17, 1967

B. A. de Vries

Terms of Reference

You are authorized to travel to New York on Tuesday, November 24th, for the purpose of participating at a Conference organized by UNCTAD on long-term projections.

BBalassa/pam

Mr. Andrew M. Kamarek

January 16, 1967

Vinod Dubey



The Export Performance of LDC's

1. The GATT publication on International Trade 1965 contains a study of the export performance of LDC's designed to determine (a) to what extent the differential rates of growth of export earnings of individual countries can be explained by their differing commodity specializations; (b) the role of changes in competitive position and of diversification in the commodity pattern of exports in explaining differential export behavior.

2. The study supports the view that the overall export performance of LDC's is still largely determined by the growth of world demand for traditional exports. It, however, shows that the relative performance of individual countries is little influenced by the pattern of their commodity exports.

3. The analysis proceeds on the assumption that the actual increase in export earnings of a country is the resultant of three factors: (a) The increase in the value of world exports of the commodities traditionally exported by the country; (b) Changes in the competitive position of the country in its traditional export markets; (c) The diversification of the pattern of commodity exports of the country. Suppose the index of a country's total exports earnings increased from 100 to 140, the index of traditional commodity exports increased from 100 to 150, and the index of world trade in these traditional commodities increased from 100 to 160. Then the actual increase in the country's total export earnings can be decomposed into the component factors as follows:

Factor (a), the increase in the value of world exports of the country's traditional exports, expressed as an index number, would be $\frac{160}{100} \div 100$, or 160,

Factor (b), indicating the change in the country's competitive position, expressed as an index number, would be $\frac{150}{100} \div \frac{160}{100}$ or 93.8.

A value less than 100 for this factor indicates that a country's share in the trade in its traditional export commodities has declined.

Factor (c), comparing the growth of traditional exports with the growth of total exports, expressed as an index, would be $\frac{140}{100} \div \frac{150}{100}$ or 93.3. A value of less than 100 indicates that the country's dependence on its traditional export commodities as earners of exchange has increased.

4. Symbolically, if W^0 and W^1 are respectively the value of world exports of the traditional commodities exported by a country at two

points of time and x^0 and x^1 are the value of the country's exports of these commodities, and E^0 and E^1 the value of its total exports at those points of time, then Factor (a) is defined as $W^1 : W^0$; Factor (b) is $\frac{x^1}{x^0} : \frac{W^1}{W^0}$; Factor (c) is $\frac{E^1}{E^0} : \frac{x^1}{x^0}$. The ratios are stated as index numbers.

(Note: In the case of more than one commodity, the commodities included in W^1 and W^0 are weighted by their share in the country's total exports in the base period.)

5. The growth of export earnings, and its breakdown into the three factors are shown in the Annexure Table for 62 LDC's. Countries are ranked in descending order according to the value of Factor (a), i.e., according to the growth in world trade in the "commodity basket" traditionally exported by them. The countries at the head of the table experienced the favorable circumstance that the world trade in the commodities they traditionally exported increased most rapidly during 1959-61 to 1964-65.

6. One significant conclusion that appears even from a casual examination of the data, is that there appears to be no overall relationship between the growth of total export earnings of countries and the growth in the world trade of the "commodity baskets" traditionally exported by them. Countries which experienced a very favorable growth of world markets of traditional commodities showed rapid, average or very slow growth of actual export earnings, at random.

For example, of ten countries which had the most rapid growth of actual export earnings only two (Gabon and Paraguay) were in the list of the ten countries the world markets for whose traditional exports grew most rapidly.

Ten countries with most rapid growth of actual export earnings	Ten countries with most rapid growth of world trade in their traditional export commodities
Taiwan	Bolivia
Panama	Gabon *
Nicaragua	Burma
Liberia	Congo (Brazz)
Central African Republic	Argentina
Gabon *	Venezuela
Ivory Coast	Morocco
Paraguay *	Sierra Leone
Togo	Paraguay *
Niger	Chile

* Countries common to both lists.

7. The absence of any relation between the expansion of world markets of a country's traditional export "commodity basket", and the

actual growth of its total earnings appears also from simple manipulation of the information in the Table.

<u>Percentage Increase in World trade in "commodity basket" of traditional exports</u>	<u>Number of countries</u>	<u>Range of growth in actual export earnings of individual countries in group</u>
over 40%	6	4% to 90%
30 to 40%	8	1% to 86%
20 to 30%	19	-12% to 155%
10 to 20%	19	10% to 135%
under 10%	10	-45% to 71%

If we classify countries by the increase in the world markets for their traditional "commodity basket" of exports, it appears that there are countries with very good export performance in all groups. Thus the best of the group of countries, which faced an expansion of less than 10% in the world trade of their traditional export basket, had a 71% increase in export earnings.

8. There is one qualification to the conclusions just stated. If we classify countries by the increase in the world markets for their basket of exports, and then subdivide the countries in each group, those with above average export growth (30% or over) and those with below average export growth, then at the extremes, some relation between country export performance and expansion of world markets does appear.

<u>Percentage Increase in World trade in "commodity basket" of traditional exports</u>	<u>Number of countries with below average export performance (under 30% growth)</u>	<u>Countries with above average export performance (Growth 30% and over)</u>
over 40%	2	4
30 to 40%	3	5
20 to 30%	7	12
10 to 20%	6	13
under 10%	7	3

Thus, in the light of the data in the above two tables it will be seen that of the 6 countries for which world trade in the traditional commodity basket increased by over 40%, 4 had above average export performance. Of the 10 countries for which world trade in the traditional commodity basket increased by under 10%, 7 had under average export performance. The conclusion of the GATT study should be modified to take account of this qualification. Countries specializing in a "commodity basket" the world trade in which has expanded very rapidly, do tend to have above average export performance; the reverse tends to be true for countries at the other extreme - specializing in a "commodity basket" the world trade in which has expanded unusually slowly. But for LDC's as a whole, the GATT conclusion does obtain.

9. If actual export experience of individual LDC's in this period in general cannot be "explained" by the rapid or slow expansion of the

markets for their traditional export commodities, it means that supply determined shifts in market positions and the development of new lines of exports (Factors (b) and (c) are more important influences on differentiated country export experience. This appears to be borne out to some extent by the data.

For example, of ten countries which had the most rapid growth of actual export earnings, six were also in the list of the ten countries which increased their shares in the world trade in their traditional exports, the most.

Ten countries with most
rapid growth of actual
export earnings

Taiwan
Panama *
Nicaragua *
Liberia *
Central African Republic
Gabon
Ivory Coast *
Paraguay *
Togo *
Niger

Ten countries with most
rapid increase in share
of world trade in their
traditional export com-
modities

Nicaragua *
Liberia *
Ethiopia
Paraguay*
Ivory Coast *
Chad
Uganda
Panama *
Hong Kong
Togo *

* Countries appearing in both lists.

10. It appears that in general, countries which had relatively more rapid growth of actual export earnings tended to show high values for Factor (b), i.e., an improvement in their share of the world trade in their traditional export "commodity basket". The rank correlation between total export earnings and the value of Factor (b), for 59 countries was 0.673.

Of the 37 countries which increased earnings above the average rate of 30% only 5 had experienced a decline in their share of world trade in their traditional export "commodity basket", while of the 25 countries below average growth in export earnings 18 had experienced a decline in their share.

11. One result of this decline in the importance of Factor (a), as an explanatory variable in the differential export performance of LCD's, is that it is not simple to classify countries by groups of commodities exported, in analyzing changes in export earnings. In International Trade 1957-58 developing countries had been grouped into those exporting A. Non-tropical foodstuffs; B. Agricultural raw materials; C. Tropical foodstuffs; and D. Minerals. It was found that during 1928-56 exports of group A increased least rapidly (78%), and of Group D most rapidly

(315%). Exports of group B increased by 10% and of group C by 260%. In the present study the classification did not prove useful in distinguishing export performance, and it proved "practically impossible" to establish an alternative valid classification of countries by the broad commodity pattern of their exports.

12. The results of the study are rather preliminary and are subject to a number of limitations the chief of which are the relatively short period over which export performance has been measured and the rather simplistic breakdown of the factors governing export performance.

VDubey:fjm

cc: Messrs. deVries
Macone
Hawkins

Mr. B. A. de Vries

January 13, 1967

R. J. Niebuhr

UNCTAD - Comments on Trade Gap Papers

This memo reports my general comments on the gap papers for Thailand by Chinnawoot Soonthonsima and an unsigned paper for Malaysia, both were prepared for UNCTAD. Neither paper introduces anything new in gap model analysis. Both are workman-like efforts for their respective countries, very similar to other UNCTAD papers we have read in the past. The Thailand paper is much more "professional" - exposition is better, the data is reproduced, and there is more discussion, including consequences of the forced departures from better practice (due to data inadequacies).

The Thailand model is basically eleven equations estimated by ordinary least squares. Exports are largely exogenous, imports endogenous. There is no explicit investment-output relation, government and private investment are determined basically by savings and public and private capital inflow. Gaps are calculated for three alternative rates of growth in GDP and compared with NEDE and IBRD projections. This comparison, however, could have been more enlightening. In my opinion the treatment of investment is not adequate, given the focus of the analysis.

In the Malaysian paper a model is not explicitly presented in the customary manner. The analysis is built around the identity $S_D - I - X - M$ with four groups of equations associated within the familiar basic terms. Gaps for 1970 and 1975 are again calculated, for high and low export assumptions and three rates of GDP growth. Little discussion is given to the results in the context of a country analysis. Despite the use of two stage least squares the paper is not impressive.

RN/te

cc: Mr. Hawkins

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STIKKER ON JANUARY 9 WITH LETTER

MAJOR

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*informed documents forwarded
ninth ex-paris hope you've
received regards
Hoffman*

MT

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: D. U. STIKKER
VILLA BELFAGGIO
MENAGGIO-LOVENO
LAGO DI COMO

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MR. J.

TO:

DATE:

JANUARY 13, 1967

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B. A. de Vries

January 13, 1967

J. C. Lin

Projections of the Trade Gap for China (Taiwan)
to 1970 and 1975 - by A. Ghezallbash

I find the arguments of this paper unsound and misleading. Several specific comments are listed below:

1. The model is not specified consistently. According to page 11 there are 7 endogenous variables while the number of equations is 14 (pp. 9-10). Therefore the system is overdetermined as a whole unless projection is based on subsectors taken separately.
2. The production function is based on the relationship between gross domestic product and the sum of gross investment. Although there is nothing wrong in the basic idea of this function, net investment rather than gross investment ought to be used since Taiwan has statistical data of depreciation.
3. The Cobb-Douglas production function is estimated on page 20 and 21. The coefficient for labor is minus .599 which implies the negative elasticity of labor productivity. This is ridiculous because an increase in employment; according to this paper, would reduce output. Has labor in Taiwan been really unproductive? According to page 21 the sum of coefficients of capital and labor exceeds 1.3 which implies the increasing returns to scale of a significant magnitude. The problem may lie in the capacity utilization of capital stocks and the unemployment rate, both of which are completely disregarded in the production function. Furthermore, the term 'neutral technological changes' is used loosely on page 21. Does it mean Harrod's or Hicks' neutrality?
4. The final projection is based on three assumptions: The growth rates of the GNP of 7%, 8%, and the accelerated rate of growth up to 1975. Under these assumptions the necessary increases or decreases in domestic savings, investment, and trade gap are estimated. The plausibility of projection is then judged by the reasonableness in these projected increases or decreases. Accordingly the paper concludes that all three projections are realistic. This type of open-ended projections is misleading unless economic constraints are properly introduced to check the plausibility. In other words, it may be plausible to have 8% instead of 7% growth in the GNP, but the effects on employment and price stability may not be tolerable.

The paper is not written tightly and economic characteristics of Taiwan are not incorporated properly in the statistical analysis of this paper.

JCL/te

cc: Mr. Hawkins

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PARIS

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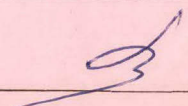
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VILLA BELFAGGIO
MENAGGIO-LOVENO
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January 12, 1967

Dear Mr. Malinowski:

✓ 1-6-67
This is in response to your letter to Mr. Hoffman about a discrepancy in the table on Bank lending for ports and waterways in the Western Hemisphere. The total of 40.58 for the Western Hemisphere is right. However, you have to correct the amount of loan (No. 208) to Peru to 6.58 and not 6.75 as given in the table. As I mentioned in my letter of December 27 a loan of \$4.8 million (No. 463) has been made to Honduras since then. This will bring the Western Hemisphere total for ports and waterways to 45.38. The Bank has also made a loan of \$15 million (No. 462) to Singapore. This will change the total for Asia and the Middle East to 222.35. The grand total as of December 20, 1966 would be 399.30.

Eastern region should be maintained in referring to the transport study.

I hope to be able to send you the updated version of the tourism paper shortly.

If you have any further questions, please let me know.

Yours sincerely,

Lars J. Lind
Deputy Director of Information

Mr. W.R. Malinowski
Director
Division for Invisibles
UNCTAD
Palais des Nations
CH-1211 Geneva 10
Switzerland

cc: Messrs. Hoffman, Grenier

LJL/jsw

Mr. Irving S. Friedman

January 12, 1967

J. H. Collier 

Letter to Prebisch on "Economic Integration"

I attach a memorandum from Mr. Dubey to Mr. Kamarck concerning the reports by an Expert Group and by the UNCTAD Secretariat on "Trade Expansion and Economic Integration among Developing Countries" and a draft letter to Mr. Prebisch for your signature. Neither Mr. Dubey nor I think the Secretariat's report is a very good one and I doubt whether it is worth writing a lengthy comment on. To do so would probably mean that we would get into an argument.

Attachments

cc: Mr. A. M. Kamarck
Mr. V. Dubey

JHCollier:vmc

Mr. B. A. de Vries

January 12, 1967

K. Krishnamurty

UNCTAD Papers

A set of equations are developed in the papers to project trade-savings gaps, but neither of them is a complete model. More equations need to be added to complete the systems.

Treatment of exports and imports is not quite satisfactory. In the case of Indonesia two equations are developed for exports. Exports are explained in terms of domestic production and the relative price of exports to the domestic price level. In the case of Iraq, exports of manufactured goods are related to value added in manufacturing and other exports are projected making some assumptions about future trends. Domestic production has relevance for exports as it represents availability, but in models designed to analyse trade gaps, reliance on domestic production alone without a variable to represent demand generating activity in the rest of the world is quite unsatisfactory.

Separate equations are estimated for imports of consumer goods, raw materials and investment goods for Indonesia. Imports of consumer goods and raw materials are explained in terms of either holdings of foreign exchange or current export earnings. Imports of investment goods are related to total investment. In case of Iraq, imports of non-durable consumer goods and durable consumer goods are related to domestic consumption while intermediate goods other than construction materials are related value added in manufacturing. Imports of construction materials are linked to aggregate investment, while imports of capital goods are estimated on the basis of some assumptions. The treatment of imports, (consumer goods and raw materials) in the case of Indonesia is far from satisfactory. Foreign exchange variables present in the equations do represent a constraint on imports, but it is necessary to include a variable to represent relevant domestic activity.

The models should be properly closed and solved for the sample period, before using them to estimate savings-trade gaps, to examine whether the estimated system does reflect reasonably well the economy. This will help in detecting systematic biases. Also, in addition to what has been attempted, projections on alternative assumptions about the parameters of the model will be useful.

Mr. B. A. de Vries

January 12, 1967

K. Krishnamurty

UNCTAD Paper - Pakistan

The model used to estimate Pakistan's trade gap is a simple aggregative one consisting of production, consumption, import and export functions. GDP is determined by accumulated gross investment and that in turn determines consumption. Imports of raw materials and investment goods are related to investment, while imports of consumer goods are determined by consumption and current export earnings. Imports of services and exports are estimated by fitting trend lines. Attempts to explain exports by external activity are not successful.

The equations are estimated for the period 1959-65. According to the author, the period between 1950 and 1965 is not homogenous. A structural break is suspected around 1959. It would have been useful for purposes of estimation to include the entire period after suitably accounting for possible structural breaks through the use of appropriate dummy variables. This would have provided scope to test the hypothesis of structural break around 1959. But for this comment the paper is quite satisfactory.

Mr. Berend A. de Vries

January 12, 1967

Atle Elsaas

UNCTAD Paper - Peru

1. The model has a total of 158 variables; there are 112 definitional equations between these variables, and the system can, therefore, be reduced to 46 basic variables; i.e., variables one of which can be deduced from the others by purely definitional equations. The system is, accordingly, also determined by 46 structural equations.
2. A model based upon 46 structural equations may appear to be a rather complex system, and this would be the case if there were a high degree of interaction between the variables in the different equations; i.e., if many of the endogenous variables were dependent upon other endogenous variables, resulting in feedbacks between different parts of the system. Quite a few of the structural equations give the endogenous variable as a function of one or two exogenous variables. The endogenous variable is not influenced by developments produced within the model; it is tied to magnitudes determined outside the model. Quite a large number of the equations are not structural equations for Peru; they are only devices for estimating variables which are exogenous in relation to the rest of the model.
3. There is one aggregate production function for the total GNP (based upon an incremental capital-output ratio); in this respect the model is a very aggregate macro model despite the large number of variables. However, 6 structural relations are given for value added in 6 separate sectors. But these are not true production functions. They are all derived as linear regressions of GNP. The model assumes a certain sectoral development with a general increase in GNP, derived from past experience, the different sectors progressing at a different pace in relation to the total; the development in the separate sectors depends on nothing else, since they are locked to one single exogenous variable.
4. Similarly, 6 of the export equations are only "mark-up" equations, saying that "other exports" within main categories of exports would follow the main commodity in a certain ratio. They might as well be included in an aggregate export function for the category of goods in question.
5. A third category of structural equations do not refer to the structure of the Peruvian economy at all. There are 4 structural equations for the output of chickens in Germany, the Netherlands, and United Kingdom and broiler output of the U.S., for calculating export demand for fish meal. The development of GNP in these countries is taken as exogenous variables. The equations are structural equations, but intermediary equations for the production of exogenous variables for Peru.

6. The exchange rate is an endogenous variable, but depends on two completely exogenous variables (consumer prices and exchange holdings), and are not influenced by results produced by the model. The exchange rate has relevance for many other variables, but could in this context be substituted by consumer prices and exchange holdings.

7. In short, some of the structural equations (at least 4) are not equations for variables in the Peruvian economy, (others (at least 6) are "rounding equations" which might as well be taken care of in other main equations, and (6) sectoral production equations are not production functions, but functions for the allocation of GNP according to past trends. The sectoral production is used as explanatory variables in other structural equations, but might as well be substituted by GNP on which it solely depends (although I would not prefer this).

8. What is said above is to emphasize a model which appears to be very large (158 variables), has in fact only 44 basic variables, and that closer inspection reveals that at least 17 of these basic variables are not that basic: they are directly related to exogenous variables and are not influenced by the results produced by the model. We are left with 27 variables, and considering that these would cover both prices and volume, and several specific export and import commodities, we discover that we have a very condensed model: it is a macro-model which could lend itself to a comprehensive description. As it is, the relatively simple framework is hidden behind a multitude of auxiliary variables, making it difficult for an interested reader to see how the system works.

9. An attempt at describing the general framework in condensed form is given below:

Production

The model is based on a macro production function for the country as a whole, the increment in production in each year depending upon the investments in the previous year. (incremental capital output ratio)

Income distribution

Total factor income is derived from GNP. Wage incomes are a linear function of total factor income and the purchasing power of exports, an increase in the latter reducing the share of wage income in total income. Increasing exports or improving terms of trade means that non-wage incomes are increasing stronger than wage incomes.

Prices and exchange rates

We have also here structural equations, but the whole price development rests largely upon exogenous assumptions. Consumer prices are exogenous, and is in turn decisive for the exchange rate (together with exchange holdings). Import prices are decided exclusively by a time trend, and investment prices are in turn dependent upon import prices and again a

January 12, 1967

time trend. The prices do not react to developments produced by the model.

Consumption

Private consumption is increasing with 100 per cent of an increase in wage income and 63 per cent of an increase in non-wage income. The income concepts are before taxes. It is nevertheless clear that the savings are strongly dependent upon the income distribution, which in turn depends upon the purchasing power of exports.

Imports

Imports of consumer goods is related to private consumption, import prices of consumer goods, and the purchasing power of exports in the preceding year. Thus, this function contains elements of "import share" in consumption, corrected for import prices and a balance of payments constraint.

Imports of capital goods is related to investments only.

Imports of fuel and raw material is related to production in different sectors, which is in turn related directly to total production: they can therefore be considered as function of GNP.

Exports

Based upon quite a large number of export functions, in spite of this, exogenous assumptions appear to have quite a dominant influence (anchovy catch, external factors influencing the demand for fish meal, separate growth projections with a price factor). And in general, exports are to a very little extent, if at all, influenced by "internal developments" produced by the model. For a condensed schematic outline of the model, export earnings might be considered as exogenous, although they have been calculated by the use of many equations.

The government sector

Government consumption and net direct taxation are variables in the model. Direct taxes and direct transfers are not included, accordingly, government savings cannot be derived. The role of fiscal policy in generating savings, etc. cannot be discussed by the model.

Summary

Disregarding many of the details of the model (many of which are certainly both interesting and relevant) the general framework we are left with is as follows:

January 12, 1967

A macro growth function of the "capital-output ratio type"

A private consumption function where the purchasing power of exports is a "negative" factor via its effect on income distribution.

Government consumption implicitly decided by the growth of GNP.

Import function, dependent upon consumption, investment, general growth, import prices for consumer goods, and a foreign exchange constraint.

Export earnings are largely exogenous, although estimated by means of a large number of regressions, including developments in countries importing fish meal.

Exogenous price assumptions, deciding also the exchange rate.

AElsas/w

cc: Mr. Hawkins

January 12, 1967

Dear Mr. Toren:

With reference to your letter of December 19, 1966 (Ref.TDS 213(1) Invisibles), I am enclosing an updated version of the note on rescheduling of external debt, as requested.

The main difference between this note and the earlier one is the description of cases of rescheduling regarding Ghana and Indonesia.

Sincerely,

Paolo Leon
Economics Department

Mr. B. Toren
Chief, Financing for Trade Section
UNCTAD
United Nations Headquarters
New York, New York

1967 JAN 18 PM 4:18
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1967 JAN 16 PM 4:18

NEW YORK: NEW YORK
UNITED STATES DEPARTMENT OF
JUSTICE
OFFICE: DIVISION OF
MR. E. J. JOHAN

DEPARTMENT OF JUSTICE
WASHINGTON

STANDARD

DESCRIPTION OF CASE OF LEGISLATIVE ACTION AND INFORMATION.
The main difference between this note and the earlier one is the

of extremely poor as evidenced.
UNCLASSIFIED: I am enclosing an abstract version of the note on legislative
with reference to last letter of December 10, 1966 (101-105 517(1))

Dear Mr. Johan:

January 15, 1967

OUTGOING WIRE

TO: MALINOWSKI
UNCTAD
GENEVA

DATE: JANUARY 12, 1967

CLASS OF
SERVICE: NLT

KCC

COUNTRY: SWITZERLAND

TEXT: REURCAB JANUARY ELEVEN MY REPLY AIRMAILED JANUARY TEN STOP TUNISIA SPAIN
Cable No.: REPORTS BEING AIRMAILED TODAY REGARDS

KALMANOFF

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MESSAGE AUTHORIZED BY:

NAME Mr. George Kalmanoff

DEPT. Economics Department

SIGNATURE *George Kalmanoff*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GK:vlb

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ECONOMICS DEPARTMENT

NAME

MR. GEORGE KATZMANOFF

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INTERNATIONAL DELEGATION

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

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NAME		ROOM NO.	
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	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS			
(Mr. Friedman has sent the letter off.)			
From			

OFFICE MEMORANDUM

TO: Mr. Irving S. Friedman

DATE: January 12, 1967

FROM: J. H. Collier

SUBJECT: Letter to Prebisch on "Economic Integration"

I attach a memorandum from Mr. Dubey to Mr. Kamarck concerning the reports by an Expert Group and by the UNCTAD Secretariat on "Trade Expansion and Economic Integration among Developing Countries" and a draft letter to Mr. Prebisch for your signature. Neither Mr. Dubey nor I think the Secretariat's report is a very good one and I doubt whether it is worth writing a lengthy comment on. To do so would probably mean that we would get into an argument.

Attachments

cc: Mr. A. M. Kamarck
Mr. V. Dubey

Highs
Please note suggested changes

UNCTAD
*Tourism

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE
Télex : 22.212 ou 22.344
Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations
CH - 1211 GENÈVE 10

REF. No.: TD 563/1

12 January 1967

Dear Mr. Hoffman,

You were good enough to write to Dr. Prebisch on 23 September 1966 to express the Bank's appreciation of Mr. Fairmont's contribution to the report of the economic mission to Spain. I am very glad that the Annex on tourism which Mr. Fairmont prepared was so useful, and it will undoubtedly assist our own work in tourism as well as that of the Bank. For our own purposes we shall probably have to revise and in some respects supplement the text prepared for the mission's report, and we shall certainly bear in mind the concern of the Spanish Government that there should be appropriate clearance of any text separately circulated or published by UNCTAD.

I much appreciate your suggestion of further co-operation in tourism between the Bank and UNCTAD and wish to assure you, on behalf of Dr. Prebisch, that we should be most happy to see such co-operation continue. We are in close touch with Mr. Kalmanoff and Mr. van der Mel, who have already expressed interest in our future plans and to whom I shall be writing again very shortly. I hope I may also have the occasion in the near future to talk personally with them and other interested Bank officials when I am in New York for the second session of the Committee on Invisibles and Financing related to Trade, which will take place from 4 to 19 April. In due course the Bank will, of course, receive official notification of this meeting, and perhaps it will be possible for a Bank official concerned with tourism to be included in your delegation. We would certainly welcome his presence and I intend to advise Mr. Kalmanoff accordingly.

Yours sincerely,

*no reply
necessary
W.H.*

W.R. Malinowski
Director
Division for Invisibles

Mr. M.L. Hoffman,
Associate Director,
Development Services Department,
International Bank for Reconstruction
and Development,
1818 H Street N.W.,
WASHINGTON D.C. 20433

Oct. Jan 12

GENERAL FILES
COLLECTIONS

JAN 16 10 16 AM 1967

DIATETONOL INATIPRES
DILECOT
M.B. MASHINOSKI

presence and I intend to speak Mr. Katsenoff accordingly.
 I intend to be instructed in your delegation. We must certainly welcome the
 meeting, and believe it will be a very good one for a bank officer concerned with
 the cause of the bank will, of course, receive official notification of this
 transaction before to the bank will take place from it to the bank. In
 the new bank for the second session of the Committee on Insurance and
 bank relations will have been and other interested bank officers when I am
 able to report. I hope I will also have the occasion in the next future to
 express interest in our future plans and to know I shall be meeting again
 close to the bank Mr. Katsenoff and Mr. Van der Meer, who have already
 that we should be most happy to see and co-operation continue. We are in
 between the bank and NISLAD and mean to make a lot of report of Dr. Berthel.
 I wish to express our interest in further co-operation in the future

In preparation of the document
 among the responsibilities of the text is to ensure that the
 carefully read in the context of the government that there
 and the text is to be used for the purpose of the work, and we must
 for our own purposes we must properly have to realize and in some respects
 and the work in the context as well as that of the Bank.
 on the work which Mr. Estimont has been doing, and it will
 report of the economic situation to the Bank. I am very glad that the Annex
 to express the Bank's appreciation of Mr. Estimont's contribution to the
 and we are glad enough to write to Dr. Prebisch on 22 September 1966

DEST. WL. HOLLMAN

IT'S A SURVIVAL TRICK

REF. NO.: LD 293/T

Telephone : 34 00 11 33 40 00 33 50 00 33 40 00

1010X : 55.515 on 55.344

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CH - 1514 GEMELE 40

2002 662 457002

SUR LE COMMERCE ET LE DÉVELOPPEMENT
CONFÉRENCE DES NATIONS UNIES

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DATE OF WIRE: JANUARY 11, 1967 1800

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FROM: MENAGGIO

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ACTION COPY:	MR. HOFFMAN
INFORMATION COPY:	
DECODED BY:	

TEXT:

FOR MICHAEL HOFFMAN

AM LEAVING FOR AFRICA 23 JANUARY PLEASE ADVISE WHETHER I MAY EXPECT COUNTRY STUDIES (OF WHICH NONE RECEIVED) BY THEN

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JAN 12 10 46 AM 1967

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UNCT 117

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 11, 1967 425PM

LOG NO.:

WU 14/12

TO:

INTRAFRAD

FROM:

GENEVA VIA UN NEW YORK

ROUTING

ACTION COPY: MR. KALMANOFF

INFORMATION
COPY: MR. DE VRIES

DECODED BY:

TEXT:

KALMANOFF

GRATEFUL REPLY MY LETTER 22 DECEMBER SINCE BATTELIE TEAM LEAVING SHORTLY
FOR TUNIS

MALINOWSKI GENEVA

AB

GENERAL FILES
COMMUNICATIONS

JAN 12 10 29 AM 1967

INTERCOMMITTEE REPORT

THE LITVINSKY

CHARTERED BY THE HOUSE OF COMMONS IN 1964 TO INVESTIGATE AND REPORT ON THE

ACTIVITIES

TEXT

FROM

TO

FOR 401

OF CYRILS
DATE AND LINE

CHARTERED BY THE HOUSE OF COMMONS

IN 1964

TO INVESTIGATE

AND REPORT ON THE

ACTIVITIES

REPORT BY

DATE

INTERCOMMITTEE

REPORT NO. 1

REPORT BY

DATE

INTERCOMMITTEE

REPORT NO. 1

INCOMING CYRILS

UNCTAD

IDA		IBRD		IFC	
FORM NO. 92 (10-61)		CORRESPONDENCE RECORD FORM			
FROM	Mr. T. H. Kanaan, Economic Affairs Officer, Trade Projections Section of UNCTAD, United Nations, New York.			DATED	January 11, 1967
SUBJECT	Enclosing a second set of papers to be discussed at meeting on 24-27 January in New York. qja				
REFERRED TO	Mr. Barend de Vries			DATE RECEIVED	January 14, 1967

Mr. Barend A. de Vries

January 11, 1967

E.K. Hawkins

EKH

UNCTAD Papers

I have looked at the papers prepared for the UNCTAD meeting in New York later this month and I have the following comments. The papers I reviewed were for Malaysia and the study of Central America prepared by the Latin American Institute for Economic and Social Planning. In the case of the latter, which is a very substantial study in Spanish, I have only been able to review the first chapter in its English translation.

I have devoted most time and attention to the paper on Malaysia, for obvious reasons. My main comment is that this does not seem to be a very satisfactory paper either as to theory or as application to the data. The theory, in fact, appears to be somewhat muddled in that it does not appear to be an adequate use of the basic trade gap model which is used for most of these papers. There is a reference at one point, for example, to the fact that the model employed is not complete or "economically plausible" and that the reason for this is "theory shortages". I find this very obscure. The trade gap model, as we know it from other papers, is certainly inadequate but I do not see that it is implausible for any mathematical or econometric reason. Its inadequacy seems to stem from the old problem of having to rely on a crude capital output ratio as a production function. That reliance depends ultimately on data shortages as much as theory shortages. There is also in this paper a good deal of fitting of relationships by eye instead of by estimation. I do not understand the point of that unless it is to save time.

There is an awareness in the paper of the basic difficulty of any work on Malaysia, which we know to be the weakness of the statistical base. It may be that this awareness accounts for the approach in the paper and I doubt if too much attention should be given to the projections which come out of this piece of work.

The paper on Central America has a much simpler approach, basing its projections on the implications of growth rates of exports, GDP and imports, the latter being presumed to move in a similar way to GDP. All this is wrapped up in a good deal of Latin American mythology concerning the sad state of export-dominated economies and effects of deteriorating terms of trade. The results obtained are very frightening in terms of a totally unmanageable deficit by 1975 and it is clear that the authors of the report do not know what to do with this conclusion. There is also an inconsistency in their arguments at this point because, having established the size of the necessary capital inflow required for the rate of growth they postulate, they then say that even if such large amounts of capital were forthcoming for Central America, the combined economies of the region could not absorb it. I do not see how they can really have it both ways. I suggest that, when you have finished with this report,

January 11, 1967

we ask Hans Schmitt to look at it in view of his recent involvement in the Central America Mission. (I know that they have had similar difficulties trying to cope with gloomy projections of this kind.)

In terms of general capability I would rate the Malaysian paper higher than the Central American paper.

EKHawkins/w

Mr. Andrew M. Kamarck

January 10, 1967

Paolo Leon

Paper on Debt Rescheduling for UNCTAD

1. Attached is an updated version of a note on "rescheduling of external debt" which was prepared by the Bank and incorporated in the UNCTAD implementation report (TD/B/82/Add. 2, pp. 132-136). Messrs. Karaosmanoğlu and Pfeffermann worked on this.

2. After we take care of any comments you may have on the attached, we shall send the final version to Mr. Toren.

Cc: Mr. Kalmanoff (cleared with)

T. J. Chung
January 10, 1967

Mr. W.R. Malinowski
Director, Division of Invisibles
UNCTAD
Palais de Nations
Geneva 10, Switzerland.

Dear Wladek:

Please excuse the delay in my reply to your letter of December 22, 1966. I only recently returned from an extensive 8-week trip to Africa and Europe, in connection with my heading a Bank general economic mission to Guinea.

In response to your request, I am arranging to send you under separate cover a copy of the Bank's recent economic report on Tunisia. This report is entitled "Review of 1965-1968 Development Plan, Tunisia", and is dated November 22, 1966. I am also sending you an extra copy of the Bank's report on Spain. You may also be interested to know that the Bank's forthcoming economic report on Algeria will devote a special section to tourism.

Enclosed is a press release dated May 11, 1966 concerning the Bank loan and IFC investment in the SNI of Tunisia. As you can see, the only other Bank loan to Tunisia, a \$7 million loan made in 1964 for the port of Tunis, was not directly related to tourism; the press release concerning that loan is also enclosed. Previous IFC and IDA operations in Tunisia were not connected with tourism.

Within the Bank Group, direct financing of the tourist industry is the concern of the IFC, which made its first such investment in December 1966, in Kenya. The nature of that investment is explained in the enclosed press release of December 8, 1966.

I trust these materials will answer your enquiry.

We look forward to continuing to hear about your study of Tunisia and your other activities and plans with regard to tourism.

Sincerely yours,

George Kalmanoff
Economics Department

Encl.

cc: Messrs. Leon, Rao

ROUTING SLIP	Date JAN 11 1967
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NAME	ROOM NO.
Mr. Lind	

To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
Information	Signature
Initial	Send On

REMARKS

Will you please
reply as necessary.

From Mr. L. Hoffman

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



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CH - 1211 GENÈVE 10

REF. No.: TD 505/2

6 January 1967

Dear Mr. Hoffman,

May I thank you for your telegram of 21 December ^{PA-SHIP} containing comments on the draft which we sent you on 14 December, and for the letter from Mr. Lind of 27 December, which updates the table on World Bank and IDA lending for shipping and ports that you enclosed with your letter to Mr. Dell of 18 October.

With regard to the amendments requested in your telegram to the second paragraph of our draft, we have preferred to refer to "India (eastern seaboard)" rather than "India (eastern region)", since we normally use the expressions eastern and western regions only in the case of Pakistan.

In correcting the table on World Bank lending in the light of Mr. Lind's letter, we have come across a small discrepancy in the figures, to which I should like to draw your attention. The total of 40.58 for the western hemisphere given in your original table does not correspond to the sum of the constituent country figures, which give a total of 40.75. The same discrepancy consequently arises in the Grand Total (379.50 instead of 379.67). We have assumed for the moment that the error is in the addition and have corrected the Sub-total and Grand Total accordingly. If this assumption is incorrect, or if the change we have made in the reference to "India (eastern region)" meets with any reservations on your part, I would be grateful if you could let me know by cable.

I look forward to receiving the updating of the tourism paper, which I should be happy to receive even before the middle of January, if that is possible.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "W.R. Malinowski".

W.R. Malinowski
Director

Division for Invisibles

Mr. M.L. Hoffman,
Associate Director,
Development Services Department,
International Bank for Reconstruction
and Development,
1818 H Street, N.W.,
Washington D.C. 20433,
U.S.A.

acc. Jan. 12/67

U.S.A.
Washington D.C. 20542
1818 H Street, N.W.
and Development
International Bank for Reconstruction
Development Services Department
Associate Director
Mr. M.T. Hoffman

Division for International
Director
M.B. Matinowski

Yours sincerely,

Respectfully,

I should be happy to receive even before the middle of January, if that is
I look forward to receiving the signature of the following paper, which

is already in your hand let me know by cable.

"United (eastern region)" means with all reservations on your part, I would
assumption is incorrect, or if the change we have made in the reference to
and have collected the sur-foot and grand total accordingly. It is
220.00. We have assumed for the moment that the error is in the addition
discrepancy consequently arises in the grand total (220.20 instead of
of the commitment country figures, which give a total of 40.20. The same
membership given in your original paper does not correspond to the sum
should like to draw your attention. The total of 40.20 for the western
region, we have come across a small discrepancy in the figures, to which I
in collecting the paper on World Bank lending in the light of Mr. Pung's

of Eastern.

normally use the expressions eastern and western regions only in the case
(eastern region) rather than "United (eastern region)", since we
secondarily of our draft, we have preferred to refer to "United
with regard to the amendments referred to in your telegram to the

Mr. Dell of 18 October.

Looking for signature and hope that you enclosed with your letter to
Mr. Pung of 21 December, which indicates the paper on World Bank and IDA
on the draft which we sent you on 14 December, and for the letter from

May I thank you for your telegram of 21 December containing comments

Dear Mr. Hoffman,

Yours truly,

Ref. No.: LD 20245

Telephone: 24 00 11 24 00 00 24 30 00 24 10 00

Telex: 55 515 00 55 344

Telegrams: DIVISIONS, GENEVE

CH - 1511 GENEVE 10

Bureau des Nations

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



ON TRADE AND DEVELOPMENT
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CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: January 6, 1967

TO: Mr. Jacob Mosak
Centre for Development Planning
Projection and Policies
U.N.

FROM: Mr. Andrew Kamarck

FILED UNDER: Liaison- Committee for Development Planning

SUMMARY: Re: Concerning the Bank's representation at the forthcoming meeting on long term economic projections which the Centre is holding jointly with the UNCTAD Secretariat

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TO: KARASZ
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PARIS

DATE: JANUARY 5, 1967

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14 telex

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COUNTRY: FRANCE

TEXT:

Cable No.:

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0570393414

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MLHOFFMAN/pnn

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SERVICE:
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MYSTERY 1777

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(1-21)

Form No. 33

RECONSTRUCTION AND DELEGATION

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

Mr. A.M. Kamark

January 5, 1966

Vinod Dubey

The United Nations Trade Gap Projections and Actual Development

1. The recent GATT publication International Trade 1965 contains an interesting study of the trade behavior of developing countries against the background of the UN projections.

(i) the UN projections (World Economic Survey 1963, pages 30-41) projected the growth of the volume of exports of LDCs to the rest of the world between 1960 and 1970 at 4% per annum, and commodity imports from the rest of the world at 6.5% per annum (for an average growth of GDP assumed at 5% per year).

(ii) In fact, during the period 1960-65 the volume of exports of LDCs to the rest of the world increased by 6% per annum, while imports increased by 5% yearly. As a result, the LDCs achieved a surplus of \$700 million at 1960 prices (reduced to only \$100 million in current prices) instead of a projected visible trade deficit of around \$5 billion. This represented the ex post adjustments of the developing countries to the circumstances. Thus the GDP growth rate in LDCs was less than 4%. The ratio of the growth rates of imports and GDP was 1.3 - the same as that implicit in the UN projections. Thus the slower growth of imports was associated with the slower growth of GDP.

(iii) Among the reasons for the better than expected performance of LDCs were (a) the rate of growth of GDP in developed countries was higher than 3.7% assumed in the projections; (b) a number of demand elasticities in developed areas proved to be too low (for example, petroleum, manufactures, feeding stuffs).

(iv) The slower growth of imports reflected the fact that a part of the increased export earnings of the oil exporters and other territories were used to add to existing reserves, and also the fact that increasing amounts of exchange were required for servicing the growing debt burden and were not available for financing imports.

(v) The study of the trade experience of individual countries and groups of countries indicates:

- (a) uneven distribution of the gains of export earnings among LDCs. A group of 32 small countries which in 1960 accounted for only 23% of the aggregate exports of LDCs, accounted for 51% of the increase in total export earnings of LDCs between 1960 and 1965. The ratio of exports to GDP in these countries increased from an average of 18% in 1960 to 25% in 1965;
- (b) there was a rather loose relationship between exports, imports, and GDP. For the 32 small and medium countries aggregate imports increased by 45% between 1960 and 1965 as against a 75% increase of exports. In some of these countries imports increased at a slower rate than GDP, in others at a much higher rate;

January 5, 1967

(c) the rate of growth of imports of machinery and equipment had been projected for 1960-70 at 7.5% per annum. In fact, these imports increased at only 4% per annum during 1960-65. This shortfall in the imports of equipment did not have a significant effect on the growth rate during the period largely because of the existence of a time lag between investment and output. It is likely to effect the growth rate to be achieved in the next few years;

(d) a global projection has limited significance. Because of heterogeneity of the LDCs as regards the relationship between production, exports and imports and other items in the balance of payments, a given rate of change in export earnings may lead to quite different changes in production and imports, depending on the distribution of the increment of exports, and on the growth in intra-LDC trade.

(vi) The disappearance of the trade gap shows that whereas in 1960 there was some net transfer of real resources from the developed to the less developed countries, this has been now "considerably reduced."

Cc: Mr. Hawkins
Mr. Maiss

(cleared with Mr. Leon)

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 4, 1967

1705

LOG NO.:

RCA TELEX/4

TO:

INTBAFRAD

FROM:

PARIS

ROUTING

ACTION COPY: MR. HOFFMAN

INFORMATION
COPY:

DECODED BY:

TEXT:

5 FOR HOFFMAN

REYOURMEMO DECEMBER 8. STIKKERS DOCUMENTS NOT YET RECEIVED.

IF DATE DESPATCH WARRANTS INVESTIGATION PLEASE CABLE FULL

DETAILS BILL LADING

KARASZ

MT

GENERAL FILES
COMMUNICATIONS

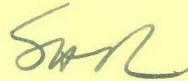
JAN 4 11 31 AM 1967

UN-DOC. - Pol. & Regio
January 4, 1967

Dear Mr. Chossudovsky:

With reference to your letter No.
TDO 220 of December 19, 1966, I wish to inform
you that the document in question is classified
and cannot be made available to UNCTAD.

Very truly yours,



S. Hartz Rasmussen
Archivist

Mr. E. M. Chossudovsky
Assistant Director
Division for Conference Affairs
and External Relations
Conference on Trade and Develop-
ment
United Nations
Palais des Nations
Geneva, Switzerland

cc: Mr. Peacock

SHRasmussen/dea

Files

Mr. Paolo Leon

- 2 -

December 30, 1966

Mr. Paolo Leon

December 30, 1966

V. Dubey

The United Nations Trade Gap Projections and Actual Developments

1. The recent GATT publication International Trade, 1965 contains an interesting study of the trade behavior of developing countries against the background of the U.N. Projections.
 - i. The U.N. projections (World Economic Survey 1963, pages 30-41) projected the growth of the volume of exports of LDC's to the rest of the world between 1960 and 1970 at 4% per annum, and commodity imports from the rest of the world at 6.5% per annum (for an average growth of GDP of 5% per year).
 - ii. In fact, the volume of exports of LDC's to the rest of the world increased by 6% per annum, while imports increased by 5% yearly. As a result, the LDC's achieved a surplus of \$700 million at 1960 prices (reduced to \$100 million in current prices) instead of a projected visible trade deficit of around \$5 billion.
 - iii. Among the reasons for the better than expected export performance of LDC's were (a) the rate of growth of GDP in developed countries was higher than 3.7% assumed in the projections; (b) a number of demand elasticities in developed areas proved to be too low (for example, petroleum, manufacturers, feeding stuffs).
 - iv. The study of the trade experience of individual countries and groups of countries indicates:
 - (a) uneven distribution of the gains in export earnings among LDC's. A group of 32 small countries which in 1960 accounted for only 23% of the aggregate exports of LDC's, accounted for 51% of the increase in total export earnings of LDC's between 1960 and 1965. The ratio of exports to GDP in these countries increased from an average of 18% in 1960 to 25% in 1965.
 - (b) there was a rather loose relationship between exports, imports and GDP. For the 32 small and medium countries aggregate imports increased by 45% between 1960 and 1965 as against a 75% increase of exports. In some of these countries imports increased at a slower rate than GDP, in others at a much higher rate.
 - (c) a global projection has limited significance. Because of heterogeneity of the LDC's as regards the relationship between production, exports and imports and other items in the balance of payments, a given rate of change in export earnings may lead to quite different changes in production and imports, depending on the distribution of the increment of exports, and on the growth of intra-LDC trade.

Mr. Paolo Leon

- 2 -

December 30, 1966

v. The disappearance of the trade gap shows that whereas in 1960 there was some net transfer of real resources from the developed to the less developed countries, this has been now "considerably reduced."

VDubey/jb

ROUTING SLIP

Date

NAME

ROOM NO.

Mr. Raj *DR*

Mr. von Hoffmann

Mr. Peacock - please inform SHR

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Could you give me some guidance, what the policy is on firing reports to UNCTAD?

Mr. von Hoffmann

President's Reports are confidential within the Bank Group and cannot be supplied to UNCTAD. I have consulted Mr. Rosen also on this.

From

LH

DR

1/31/67

OFFICE MEMORANDUM

TO: Mr. L. von Hoffmann

DATE: December 29, 1966

FROM: S. Hartz Rasmussen

*S. Hartz Rasmussen*SUBJECT: Request for IFC Document from UNCTAD

The attached letter from Mr. E. M. Chossudovsky was passed on to me for reply, presumably because I am responsible for transmittal of certain Bank reports to various international organizations, among others UNCTAD.

To my knowledge the IFC President's reports to the Board of Directors have never been transmitted to other international organizations, and the attached is the first request of its kind which I have received.

I would appreciate it if you would indicate the type of reply you want me to give in this and future similar cases.

Should you want to reply yourself, I would be grateful if you would send me a copy of your reply.

IDA	IBRD	IFC
FORM NO. 92 (10-61) CORRESPONDENCE RECORD FORM		
FROM United Nations Conference sur le Commerce et le Developpement Geneva, Switzerland Raul Prebisch		DATED Dec. 23, 1966
SUBJECT Re further sessions of meetings of group etc		
REFERRED TO Mr. Woods		DATE RECEIVED Dec. 25, 1966

UNCTAD
x P+P-Shipping

December 27, 1966

Dear Mr. Malinowski:

Nov. 28/66
You requested an updating of the Table on World Bank and IDA Lending for shipping and ports in light of the postponement of the UNCTAD Committee Session on this subject. In the title and totals please change the date to "as of December 20, 1966". In the section on Asia and the Middle East insert "Singapore 462 15.00" after Pakistan and change the total to "22.35". At the end of the Western Hemisphere section, after Peru, add "Honduras 463 4.80" and the total should now read "45.30". The Grand Total should read "399.30".

An updating of the Tourism paper will follow in mid-January.

Yours sincerely,

Lars J. Lind
Deputy Director of Information

Mr. W.R. Malinowski
Director
Division for Invisibles
UNCTAD
Palais des Nations
CH - 1211
Geneve 10

cc: Mr. Hoffman

LJL
LJL/mj

DEC 23 REC'D

INCOMING CABLE

DATE AND TIME
OF CABLE:

DECEMBER 22, 1966 530P

LOG NO.:

WU 9/23

TO:

PRESIDENT INTBAFRAD

FROM:

NEW YORK (GENEVA VIA UN NY)

ROUTING

ACTION COPY: MR. WOODS

INFORMATION
COPY:

DECODED BY:

*No action
needed
DZ*

TEXT:

TDO 210 FURTHER MY CABLE DATED EIGHT DECEMBER 1966, HAVE HONOUR TO
INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL
SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON TWENTY ONE
DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF
UNCTAD FOR 1967:

"INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17
FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA.
COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRAURY - 8 MARCH 2½ WEEKS GENEVA.
CONFERENCE ON OLIVE OIL 28 MARCH 1 ARPIL 1:

WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND
SESSION 4-19 APRIL 2½ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES,
RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND
SESSION 9-26 MAY 3 WEEKS GENEVA.

GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON
MANUFACTURERS, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT
BOARD, FIFTH SESSION 15 AUGUST - 8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY
COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION
2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS
AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED.

INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD SESSION DATE DURATION

INCOMING CABLE

DATE AND TIME
OF CABLE: DECEMBER 22, 1966 530P

LOG NO.: WU 9/23

TO: PRESIDENT INTBAFRAD

FROM: NEW YORK

ROUTING	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	
DECODED BY:	

TEXT: PAGE TWO

AND LOCATION TO BE DETERMINED. CONSULTATION ON COCOA DATE DURATION AND
LOCATION TO BE DETERMINED. CONSULTATIONS ON SUGAR DATE, DURATION AND
LOCATION TO BE DETERMINED. TWO COMMODITY CONFERENCES 5/6 WEEKS EACH
DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK
DATE AND DURATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH
DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH
SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT
BOARD AT ITS FIFTH SESSION. EXPLORATORY MEETING ON COPPER, DATE DURATION
AND LOCATION TO BE DETERMINED. UNCTAD, SECOND SESSION 1 FEBRUARY - 25
MARCH 1968, 7 WEEKS NEW DELHI."

USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE

PREBISH SECRETARY GENERAL UNCTAD UNATIONS GENEVA

DEC 22 3 51 PM 1966

AB

GENERAL FILES
COMMUNICATIONS

DEC 23 9 27 AM 1966

THE PRESIDENT
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
1818 H. STREET, N.W.
WASHINGTON 25, D.C.

SA

USA

COPY OF CABLE SENT DIRECT TO ALL MFA'S

No action needed

[Signature]

TDO 210 FURTHER MY CABLE DATED EIGHT DECEMBER 1966, HAVE HONOUR TO INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON TWENTY-ONE DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF UNCTAD FOR 1967 QUOTE INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17 FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA. COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRUARY-8 MARCH 2½ WEEKS GENEVA. CONFERENCE ON OLIVE OIL 28 MARCH-1 APRIL 1 WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND SESSION 4-19 APRIL 2½ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES, RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND SESSION 9-26 MAY 3 WEEKS GENEVA. GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON MANUFACTURES, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT BOARD, FIFTH SESSION 15 AUGUST-8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION 2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED. INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD SESSION DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON COCOA DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON SUGAR DATE DURATION AND LOCATION TO BE DETERMINED. TWO COMMODITY CONFERENCES 5-6 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK DATE AND LOCATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT BOARD AT ITS FIFTH SESSION. EXPLORATORY MEETING ON COPPER, DATE DURATION AND LOCATION TO BE DETERMINED. UNCTAD, SECOND SESSION 1 FEBRUARY-25 MARCH 1968, 7 WEEKS NEW DELHI. UNQUOTE. USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE.

PREBISCH
SECRETARY-GENERAL
UNCTAD
UNATIONS
GENEVA

22 December 1966

UNCTAD
DEC 29 1966

I N C O M I N G W I R E

DATE OF
WIRE: DECEMBER 22, 1966 530PM

LOG NO.: WU 10/23

TO: PRESIDENT INDEVAS

FROM: GENEVA VIA UN NEW YORK

R O U T I N G

ACTION COPY: MR. WOODS

INFORMATION
COPY:

DECODED BY:

TEXT:

TDO 210 FURTHER MY CABLE DATED 8TH DECEMBER 1966, HAVE HONOUR TO INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON 21 DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF UNCTAD FOR 1967:

"INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17 FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA. COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRUARY - 8 MARCH 2½ WEEKS GENEVA. CONFERENCE ON OLIVE OIL 28 MARCH 1 APRIL 1 WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND SESSION 4-19 APRIL 2½ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES, RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND SESSION 9-26 MAY 3 WEEKS GENEVA.

GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON MANUFACTURERS, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT BOARD, FIFTH SESSION 15 AUGUST - 8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION 2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED. INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD

I N C O M I N G W I R E

DATE OF
WIRE: DECEMBER 22, 1966 530PM

LOG NO.: WU 10/23

TO: PRESIDENT INDEVAS

FROM: GENEVA VIA UN NEW YORK

TEXT:

R O U T I N G	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	
DECODED BY:	

PAGE TWO

SESSION DATE DURATION AND LOCATION TO BE DETERMINED.

CONSULTATION ON COCOA DATE DURATION AND LOCATION TO BE DETERMINED.

CONSULTATIONS ON SUGAR DATE, DURATION AND LOCATION TO BE DETERMINED.

TWO COMMODITY CONFERENCES 5/6 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK DATE AND LOCATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT BOARD AT ITS FIFTH SESSION.

EXPLORATORY MEETING ON COPPER, DATE DURATION AND LOCATION TO BE DETERMINED. UNCTAD, SECOND SESSION 1 FEBRUARY - 25 MARCH 1968, 7 WEEKS NEW DELHI."

USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE

PREBISCH SECRETARY GENERAL UNCTAD UNATIONS GENEVA

MT

TYPED

GENERAL FILES
COMMUNICATIONS

DEC 23 10 02 AM 1966

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

UNCTAD

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No. : TD 504/2

10 February 1967

Dear Mr. Hoffman,

In connexion with the forthcoming session of the Committee on Invisibles and Financing related to Trade, we are submitting a progress report on the programme of work on invisibles. We naturally intend to refer therein to co-operation between the Bank and UNCTAD, both in general and specifically in relation to the Bank's mission to Spain.

.....
I enclose herewith the relevant extracts from the draft of our report and would be grateful if you could let me know, preferably by cable (since I would like to submit the report for processing early next week) if you have any observations.

Yours sincerely,

W. R. Malinowski

W. R. Malinowski,
Director,
Division for Invisibles

Mr. Michael L. Hoffman
Associate Director
Development Services Department
International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

1967 FEB 13 PM 3:08

COMMUNICATIONS
DIVISION
RECEIVED

*Reply by
Cable
14 Feb 1967*

RECEIVED
GENERAL FILES
COMMUNICATIONS

1967 FEB 13 PM 3:08

Washington, D.C. 20533

1818 H Street, N.W.

Reconstruction and Development
International Bank for
Development Services Department
Associate Director
Mr. Michael L. Hoffman

Director for International
Director

M. B. Matinowski

Yours sincerely,

have any observations.

submit the report for processing early next week) if you
let me know preferably by cable (since I would like to
draft of our report and would be grateful if you could

I enclose herewith the relevant extracts from the

ation to obtain.

General and abstractly in relation to the Bank's inter-
to co-operation between the Bank and UNCTAD, both in
work on international trade. We particularly intend to refer therein
me the submitting a progress report on the programme of
Committee on International Trade and Finance related to trade.

In connection with the forthcoming session of the

Dear Mr. Hoffman,

REF. NO.: LD 204/5

TO: February 1967

Telephone: 3400 11 334000 335000 331000

Telex: 33315 UN 55344

Telegrammes: UNATIONS, GENEVE

CH - 1311 GENEVE 10

Palais des Nations

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



ON LE COMMERCE ET LE DEVELOPPEMENT
CONFERENCE DES NATIONS UNIES

UNCTAD

Extract from Progress Report - IBRD

Among specialised agencies, a particularly close relationship has been established with the World Bank (IBRD). All three organisations forming the World Bank Group are prepared to make funds available to development finance companies for relending for tourist projects, and the IFC recently made its first commitment for direct investment in a tourist project (see Annex II, paragraphs). Economic missions of the Bank have sometimes included consideration of the tourist sector in countries where it has played a significant rôle in the economy, and the Bank has manifested a growing interest in tourism as a factor in economic development, in which it and its associates (the IFC and IDA) might play a rôle. Consequently, the secretariat of UNCTAD has maintained close liaison with the secretariat of the Bank, in order to exchange information on their respective plans in the field of tourism on behalf of their inter-governmental bodies, avoid duplication of effort and work jointly in matters of common concern. Arising from these consultations, the Bank had indicated a strong interest in examining the development of tourism in Spain in the context of its general economic mission to that country in March/April 1966 and suggested that in view of the evident mutual interest of the two organisations, UNCTAD might wish to provide a staff member for the Bank mission who would prepare the annex to the mission's report devoted to tourism. Accordingly, appropriate arrangements were made (see paragraphs below) in agreement with the Government of Spain, and consultations are now taking place regarding future co-operation between the Bank and UNCTAD.

Extract from Progress Report - IBRD

Among specialised agencies, a particularly close relationship has been established with the World Bank (IBRD). All three organisations forming the World Bank Group are prepared to make funds available to development finance companies for relending for tourist projects, and the IFC recently made its first commitment for direct investment in a tourist project (see Annex II, paragraphs). Economic missions of the Bank have sometimes included consideration of the tourist sector in countries where it has played a significant rôle in the economy, and the Bank has manifested a growing interest in tourism as a factor in economic development, in which it and its associates (the IFC and IDA) might play a rôle. Consequently, the secretariat of UNCTAD has maintained close liaison with the secretariat of the Bank, in order to exchange information on their respective plans in the field of tourism on behalf of their inter-governmental bodies, avoid duplication of effort and work jointly in matters of common concern. Arising from these consultations, the Bank had indicated a strong interest in examining the development of tourism in Spain in the context of its general economic mission to that country in March/April 1966 and suggested that in view of the evident mutual interest of the two organisations, UNCTAD might wish to provide a staff member for the Bank mission who would prepare the annex to the mission's report devoted to tourism. Accordingly, appropriate arrangements were made (see paragraphs below) in agreement with the Government of Spain, and consultations are now taking place regarding future co-operation between the Bank and UNCTAD.

A study of Spain was undertaken in co-operation with the IRBD, with an UNCTAD staff member (as explained in paragraphs above) acting as consultant to the Bank. Apart from the fact that the Bank wished to avoid duplicating a possible study that UNCTAD might otherwise do, the choice of Spain for one of the first of UNCTAD's country studies seemed well indicated in view of the rapid development of tourism in that country and its general importance to the economy. Since Spain is often pointed to as an example of what other developing countries might hope to achieve, in differing degrees, it seemed appropriate to investigate the basis on which the development of tourism to Spain has taken place, with a view to seeing in particular what special circumstances applied which might, or might not, be applicable to other developing countries.

The report of the Bank's mission (including the annex on tourism) was reviewed by the Economic Committee of the IRBD in November 1966 and distributed subsequently to the Executive Directors. By agreement with the Bank, the contents of the report may be used freely by UNCTAD secretariat, subject to the approval of the Spanish Government.

In a letter to the Secretary-General of UNCTAD the Bank has expressed its appreciation of this co-operation between the two organizations and its interest in the further work of UNCTAD and opportunities for co-operation with UNCTAD.

The three other studies in progress are also in the Mediterranean region, and it is expected should be completed later in 1967. The experience which the secretariat will have acquired as a result of these studies may be expected to provide useful lessons which can be applied to subsequent studies, to be carried out in other regions.

The examination of national plans for, and studies of, the tourist sector that the secretariat has so far undertaken, and the work on the country studies mentioned above, suggest that there are a number of problems

THE PRESIDENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H. STREET, N.W.
WASHINGTON 25, D.C.
USA

COPY OF CABLE SENT DIRECT TO ALL MFA'S

TDO 210 FURTHER MY CABLE DATED EIGHT DECEMBER 1966, HAVE HONOUR TO INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON TWENTY-ONE DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF UNCTAD FOR 1967 QUOTE INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17 FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA. COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRUARY-8 MARCH 2½ WEEKS GENEVA. CONFERENCE ON OLIVE OIL 28 MARCH-1 APRIL 1 WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND SESSION 4-19 APRIL 2½ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES, RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND SESSION 9-26 MAY 3 WEEKS GENEVA. GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON MANUFACTURES, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT BOARD, FIFTH SESSION 15 AUGUST-8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION 2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED. INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD SESSION DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON COCOA DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON SUGAR DATE DURATION AND LOCATION TO BE DETERMINED. TWO COMMODITY CONFERENCES 5-6 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK DATE AND LOCATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT BOARD AT ITS FIFTH SESSION. EXPLORATORY MEETING ON COPPER, DATE DURATION AND LOCATION TO BE DETERMINED. UNCTAD, SECOND SESSION 1 FEBRUARY-25 MARCH 1968, 7 WEEKS NEW DELHI. UNQUOTE. USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE.

PREBISCH
SECRETARY-GENERAL
UNCTAD
UNATIONS
GENEVA

22 December 1966

INCOMING CABLE

DATE AND TIME OF CABLE:	DECEMBER 22, 1966	530P	ROUTING	
LOG NO.:	WU 8/23		ACTION COPY:	MR. WOODS
TO:	PRESIDENT CORINTFIN		INFORMATION COPY:	
FROM:	NEW YORK (GENEVA VIA UN NEW YORK)		DECODED BY:	

TEXT: TDO 210 FURTHER MY CABLE DATED EIGHT DECEMBER 1966, HAVE HONOUR TO INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON 21 DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF UNCTAD FOR 1967 -

"INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17 FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA. COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRUARY - 8 MARCH 2- $\frac{1}{2}$ WEEKS GENEVA. CONFERENCE ON OLIVE OIL 28 MARCH 1 APRIL 1: WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND SESSION 4-19 APRIL 2- $\frac{1}{2}$ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES, RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND SESSION 9-26 MAY 3 WEEKS GENEVA. GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON MANUFACTURERS, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT BOARD, FIFTH SESSION 15 AUGUST - 8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION 2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED. INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD SESSION DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATION ON COCOA DATE DURATION

GENERAL FILES
COMMUNICATIONS

DEC 23 9 13 AM 1966

MINUTES AND DECISION TO BE DETERMINED. CONSIDERATION ON COCOA TYPE DURATION
INVESTIGATION REPORT ON SUBCOMMITTEE'S FINDINGS. SECOND SESSION DATE
AND SUBCOMMITTEE'S FIRST SESSION A DATE DATE AND DECISION TO BE DETERMINED.
3 WEEKS DATE AND DECISION TO BE DETERMINED. LEGISLATIVE COUNCIL ON FUELHELIC
COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES' SECOND SESSION
WILL BOARD' FIRST SESSION IS WEDNESDAY - 8 SEPTEMBER 7 WEEKS CANCEL. VOTATION
ON INVESTIGATION'S SECOND SESSION 7-11 MAY 3 WEEKS CANCEL. BOARD AND DEPARTMENT-
COUNCIL ON INVESTIGATION'S SECOND SESSION 7-11 MAY 3 WEEKS CANCEL. COMMITTEE
COMMODITIES' SECOND SESSION 8-10 MAY 3 WEEKS CANCEL.
COMMODITIES' SECOND SESSION 8-10 MAY 3 WEEKS CANCEL. COMMITTEE ON
SECOND SESSION 7-10 MAY 3-4 WEEKS MAY WORK. INVESTIGATIVE SUB-COMMITTEE ON
MAY CANCEL. COMMITTEE ON INVESTIGATION'S 2ND SUBCOMMITTEE RETURNED TO BOARD
CANCEL. CONSIDERATION ON OFFICE OF WHICH 1 MAY 7.
COMMITTEE ON INVESTIGATION'S SECOND SESSION 11 SEPTEMBER - 8 WHICH 3-4 WEEKS
SEPTEMBER 3 WEEKS (INVESTIGATION MAY BE WORK FOR 1 3 WEEKS SESSION) CANCEL.
INVESTIGATION REPORT ON SUBCOMMITTEE'S FINDINGS' SECOND SESSION 8-11
VOTATION BOTTOMING OUTLINE OF RESULTS OF INVESTIGATION FOR 1966 -
WE WISHED INVOLVE INVESTIGATION IN NEW YORK ON 17 DECEMBER 1966 WITH RESULTS
FOR 1966 THE BOARD AND DEPARTMENTAL WORK AS ITS SECOND SELECTIVE SESSION HERE
AND 1966 WEDNESDAY MAY CANCEL DATED 17 DECEMBER 1966. HAVE WORKING TO INFORM

NAME: NEW YORK (GENERAL ATTY IN NEW YORK)
NO: INTERNATIONAL COMMISSION
FOR NO: MAY 1966
ON DATE: DECEMBER 23, 1966
DATE AND TIME: 2306

RECEIVED BY	RE: MOORE
DATE	
INITIALS	
BOTTING	

INCOMING CABLE

DATE AND TIME OF CABLE: DECEMBER 22, 1966 530P

LOG NO.: WU 8/23

TO: PRESIDENT CORINTFIN

FROM: NEW YORK

TEXT: PAGE TWO

ROUTING	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	
DECODED BY:	

AND LOCATION TO BE DETERMINED. CONSULTATIONS ON SUGAR DATE, DURATION AND LOCATION TO BE DETERMINED. TWO COMMODITY CONFERENCES 5/6 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK DATE AND LOCATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT BOARD AT ITS FIFTH SESSION.

EXPLORATORY MEETING ON COPPER, DATE DURATION AND LOCATION TO BE DETERMINED.

UNCTAD, SECOND SESSION 1 FEBRUARY - 25 MARCH 1968, 7 WEEKS NEW DELHI."

USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE

PREBISH SECRETARY GENERAL UNCTAD UNATIONS GENEVA

AB

GENERAL FILES
COMMUNICATIONS

DEC 23 9 13 AM 1966

15070

THE PRESIDENT SA
INTERNATIONAL FINANCE CORPORATION
1818 H. STREET, N.W.
WASHINGTON 25, D.C.
USA

UNCTAD

COPY OF CABLE SENT DIRECT TO ALL MFA'S

✓

TDO 210 FURTHER MY CABLE DATED EIGHT DECEMBER 1966, HAVE HONOUR TO INFORM YOU THAT THE TRADE AND DEVELOPMENT BOARD AT ITS SECOND SPECIAL SESSION HELD AT UNITED NATIONS HEADQUARTERS IN NEW YORK ON TWENTY-ONE DECEMBER 1966 AFTER REVIEW ADOPTED FOLLOWING CALENDAR OF MEETINGS OF UNCTAD FOR 1967 QUOTE INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, SECOND SESSION 6-17 FEBRUARY 2 WEEKS (PROVISION MAY BE MADE FOR A 3 WEEK SESSION) GENEVA. COMMITTEE ON SHIPPING, SECOND SESSION 21 FEBRUARY-8 MARCH 2½ WEEKS GENEVA. CONFERENCE ON OLIVE OIL 28 MARCH-1 APRIL 1 WEEK GENEVA. COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE, SECOND SESSION 4-19 APRIL 2½ WEEKS NEW YORK. PERMANENT SUB-COMMITTEE ON COMMODITIES, RESUMED FIRST SESSION 9-12 MAY 1 WEEK GENEVA. COMMITTEE ON COMMODITIES, SECOND SESSION 9-26 MAY 3 WEEKS GENEVA. GROUP ON PREFERENCES, SECOND SESSION 4-14 JULY 2 WEEKS GENEVA. COMMITTEE ON MANUFACTURES, SECOND SESSION 4-21 JULY 3 WEEKS GENEVA. TRADE AND DEVELOPMENT BOARD, FIFTH SESSION 15 AUGUST-8 SEPTEMBER 4 WEEKS GENEVA. ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES, SECOND SESSION 2 WEEKS DATE AND LOCATION TO BE DETERMINED. PERMANENT GROUP ON SYNTHETICS AND SUBSTITUTES, FIRST SESSION 9 DAYS DATE AND LOCATION TO BE DETERMINED. INTERGOVERNMENTAL GROUP ON SUPPLEMENTARY FINANCING, THIRD SESSION DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON COCOA DATE DURATION AND LOCATION TO BE DETERMINED. CONSULTATIONS ON SUGAR DATE DURATION AND LOCATION TO BE DETERMINED. TWO COMMODITY CONFERENCES 5-6 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. WORKING GROUP ON TUNGSTEN 1 WEEK DATE AND LOCATION TO BE DETERMINED. EIGHT EXPERT GROUPS 2 WEEKS EACH DATES AND LOCATIONS TO BE DETERMINED. TRADE AND DEVELOPMENT BOARD, SIXTH SESSION DATE AND LOCATION TO BE DETERMINED BY THE TRADE AND DEVELOPMENT BOARD AT ITS FIFTH SESSION. EXPLORATORY MEETING ON COPPER, DATE DURATION AND LOCATION TO BE DETERMINED. UNCTAD, SECOND SESSION 1 FEBRUARY-25 MARCH 1968, 7 WEEKS NEW DELHI. UNQUOTE. USUAL FORMAL NOTIFICATIONS OF MEETINGS WILL BE SENT IN DUE COURSE.

PREBISCH
SECRETARY-GENERAL
UNCTAD
UNATIONS
GENEVA

22 December 1966

CROSS REFERENCE SHEET

COMMUNICATION: Memo

DATED: December 20, 1966

TO: Mr. A. Kamarck

FROM: Mr. Paolo Leon

FILED UNDER: Intebtedness- Gen.

SUMMARY: UNCTAD Study on Debt Projections

INTERNATIONAL DEVELOPMENT
ASSOCIATION[illegible]

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphoné : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 220

19 December 1966

SKN
Dear Sirs,

Our attention has been drawn to a project to develop and expand the tourism industry in Kenya with which your Organization is associated.

It appears also that a document exists dealing with this project (IB/1849). As you are no doubt aware, UNCTAD is concerned with problems of tourism as they affect the developing countries. We should, therefore, be most grateful to you if you could let us have a copy of this document, preferably in English.

Thanking you in anticipation,

Yours truly,

A handwritten signature in dark ink, appearing to read 'E. Chossudovsky', followed by a large closing curly bracket '}'.

E.M. Chossudovsky,
Assistant Director,
Division for Conference Affairs
and External Relations

Documentation Section,
International Finance Corporation,
1818 8th Street, N.W.,
WASHINGTON 20433 D.C.
U.S.A.

rec. Jan. 4/67

COMMUNICATIONS
1956 DEC 23 AM 8:47

U.S.A.
WASHINGTON 20433 D.C.
1818 8th Street, N.W.
International Finance Corporation
Documentation Section

and extremely important
material for conference with
various persons.
E.M. Grossman



Yours truly,

Thanking you in anticipation,

Respectfully in reply,
re most recently to you if you could get in with a copy of this document
of, perhaps in reply address the following companies. We should, perhaps
(IB/1876). As you are so kind to write, please to consider with pleasure
if possible also that a document exists which with this office

company, perhaps in reply with most of the information to be considered.
Our attention has been drawn to a number of details and explain the

Best regards,



MEM No. LDO 330

10 December 1956

1956-11-21 11 22 30 00 23 30 00 23 30 00

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1956-11-21 11 22 30 00 23 30 00

1956-11-21 11 22 30 00 23 30 00

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DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

UNITIONS UNIES

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING SSM/M/66-48

DATED: December 16, 1966

TO:

FROM:

FILED UNDER: SENIOR STAFF MEETING

SUMMARY: Mr. Demuth reported that:

December 13, 1966

Dear Mr. Toren:

Mr. Consolo passed to me your memorandum of December 6, 1966 (Re: TDS 213(1) Invisibles) on rescheduling or consolidation of external debt.

We are in the process of updating the information which was included in the Bank's report on this subject and which you referred to (TD/B/82/Add.2, pp.132-136), and should be able to send you the revised version before the next meeting of the Committee on Invisibles and Financing.

Sincerely,

Paolo Leon

Mr. B. Toren
Chief, Financing for Trade Section
UNCTAD
United Nations Headquarters
New York, New York

Cc: Messrs. Consolo
Kalmanoff
Sacchetti

UNCTAD

February 17, 1967

Dr. Raul Prebisch
Secretary General
U.N.C.T.A.D.
Palais des Nations
Geneva, Switzerland

Dear Dr. Prebisch:

Mr. Liaqat Ali spoke to me about your suggestion that he explore the possibility of the Bank's seconding him to the UNCTAD staff for a couple of years. As he will be writing to you, we explored this possibility carefully but it is against our administrative policy to do this. However, we would have no objection to your offering him a direct appointment.

May I say again that I found your address to the GATT Trade and Development Committee most stimulating. As always you posed the problems most directly and forced people to confront the situation.

Sincerely yours,

Andrew M. Kamarck
Director
Economics Department

AMK:nme

1025 FEB 50 6M 4:52

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GENERAL FILES
COMMUNICATIONS

1967 FEB 20 PM 4:25

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UNITED STATES DEPARTMENT OF JUSTICE

UNITED STATES DEPARTMENT OF JUSTICE

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UNITED STATES DEPARTMENT OF JUSTICE

OUTGOING WIRE

TO: ~~XXXXXX~~ UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT DATE: DECEMBER 12, 1966
NEW YORK LIAISON OFFICE
UNITED NATIONS
NEW YORK CLASS OF
SERVICE: LETTER TELEGRAM

COUNTRY: UNITED STATES

YW

TEXT:
Cable No.:

REURCAB DECEMBER 10, 1966 THE INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT AND AFFILIATES WILL BE REPRESENTED BY MR. FEDERICO
CONSOLO AT SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD TO BE
CONVENED IN NEW YORK ON DECEMBER 21, 1966 ~~STOP~~

DEMUTH

INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Richard H. Demuth

DEPT. Development Services

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

LPerinbam:cl

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. G. Woods
Mr. G. Kalmanoff

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

ROUTING SLIP

Date
Dec. 12, 1966

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. Demuth	

☐	To Handle	☐	Note and File
☐	Appropriate Disposition	☐	Note and Return
☐	Approval	☐	Prepare Reply
☐	Comment	☐	Per Our Conversation
☐	Full Report	☐	Recommendation
☐	Information	☐	Signature
☐	Initial	☐	Send On

Remarks

Please handle.



G.D. Woods

DEC 12 REC'D

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INCOMING CABLE

DATE AND TIME
OF CABLE:

DECEMBER 10, 1966

LOG NO.:

WU 14/12

TO:

PRESIDENT INTBAFRAD

FROM:

NEW YORK

ROUTING

ACTION COPY: MR. WOODS

INFORMATION COPY: MR. DEMUTH

DECODED BY:

TEXT:

TDO 210 SECRETARY GENERAL OF UNCTAD HAS HONOR TO TRANSMIT HERewith NOTIFICATION CONCERNING SECOND SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD IN ACCORDANCE WITH RULE 6 OF BOARDS RULES OF PROCEDURE. SECOND COMMITTEE OF GENERAL ASSEMBLY ON 7 DECEMBER 1966 UNANIMOUSLY APPROVED RESOLUTION DECIDING THAT SECOND SESSION OF UNCTAD CONFERENCE SHOULD BE HELD IN NEW DELHI FROM 1 FEBRUARY TO 25 MARCH 1968. SECOND COMMITTEE ON SAME DATE ALSO UNANIMOUSLY APPROVED RESOLUTION INVITING TRADE AND DEVELOPMENT BOARD TO HOLD A SPECIAL SESSION TO BE CONVENED IN NEW YORK FOR 1 DAY ON 21 DECEMBER 1966 IN ORDER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD FOR 1967 WHICH IT ADOPTED AT ITS FOURTH SESSION IN THE LIGHT OF DECISION TAKEN CONCERNING DATE OF SECOND SESSION OF CONFERENCE. SUBJECT TO APPROVAL OF RESOLUTIONS OF SECOND COMMITTEE BY GENERAL ASSEMBLY IN PLENARY THE BOARD WILL BE CONVENED AT UNITED NATIONS HEADQUARTERS IN NEW YORK AT 1030AM ON WEDNESDAY 21 DECEMBER 1966. IN ACCORDANCE WITH RULE 14 OF BOARDS RULES OF PROCEDURE ONLY ITEM ON AGENDA WILL BE REVIEW OF CALENDAR OF UNCTAD MEETINGS FOR 1967. GOVERNMENTS OF MEMBERS OF THE BOARD ARE REQUESTED TO SUBMIT CREDENTIALS TO UNCTAD NEW YORK LIAISON OFFICE BY 21 DECEMBER IF POSSIBLE. GOVERNMENTS OF MEMBERS OF UNCTAD NOT MEMBERS OF THE BOARD WISHING TO ATTEND AS OBSERVERS ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE

ack. Dec. 12/66

INCOMING CABLE

DATE AND TIME
OF CABLE:

DECEMBER 10, 1966

LOG NO.:

WU 14/12

TO:

PRESIDENT INTBAFRAD

FROM:

NEW YORK

ROUTING

ACTION COPY: MR. WOODS

INFORMATION
COPY: MR. DEMUTH

DECODED BY:

TEXT:

PAGE 2

BY 20 DECEMBER IF POSSIBLE OF NAMES OF THEIR REPRESENTATIVES
SPECIALIZED AGENCIES, IAEA AND INTERGOVERNMENTAL BODIES WISHING TO
PARTICIPATE IN SESSION UNDER RULE 78 AND NONGOVERNMENTAL ORGANIZATIONS
WISHING TO SIT AS OBSERVERS UNDER RULE 79 ARE REQUESTED TO INFORM UNCTAD
NEW YORK LIAISON OFFICE BY 20 DECEMBER IF POSSIBLE OF THE NAMES OF THEIR
REPRESENTATIVES

PREBISCH SECRETARY GENERAL

UNCTAD UNATIONS GENEVA

MISS ~~SE~~MITT TELEPHONED DURING WEEKEND.

MP

INCOMING CABLE

DATE AND TIME
OF CABLE:

DECEMBER 10, 1966

LOG NO.:

WU 13/12

TO:

PRESIDENT CORINTFIN

FROM:

NEW YORK

ROUTING

ACTION COPY: MR. WOODS
INFORMATION COPY: MR. DEMUTH
DECODED BY:

TEXT:

TDO 210 SECRETARY GENERAL OF UNCTAD HAS HONOR TO TRANSMIT HERewith NOTIFICATION CONCERNING SECOND SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD IN ACCORDANCE WITH RULE 6 OF BOARDS RULES OF PROCEDURE. SECOND COMMITTEE OF GENERAL ASSEMBLY ON 7 DECEMBER 1966 UNANIMOUSLY APPROVED RESOLUTION DECIDING THAT SECOND SESSION OF UNCTAD CONFERENCE SHOULD BE HELD IN NEW DELHI FROM 1 FEBRUARY TO 25 MARCH 1968. SECOND COMMITTEE ON SAME DATE ALSO UNANIMOUSLY APPROVED RESOLUTION INVITING TRADE AND DEVELOPMENT BOARD TO HOLD A SPECIAL SESSION TO BE CONVENED IN NEW YORK FOR 1 DAY ON 21 DECEMBER 1966 IN ORDER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD FOR 1967 WHICH IT ADOPTED AT ITS FOURTH SESSION IN THE LIGHT OF DECISION TAKEN CONCERNING DATE OF SECOND SESSION OF CONFERENCE. SUBJECT TO APPROVAL OF RESOLUTIONS OF SECOND COMMITTEE BY GENERAL ASSEMBLY IN PLENARY THE BOARD WILL BE CONVENED AT UNITED NATIONS HEADQUARTERS IN NEW YORK AT 1030AM ON WEDNESDAY 21 DECEMBER 1966. IN ACCORDANCE WITH RULE 14 OF BOARDS RULES OF PROCEDURE ONLY ITEM ON AGENDA WILL BE REVIEW OF CALENDAR OF UNCTAD MEETINGS FOR 1967. GOVERNMENTS OF MEMBERS OF THE BOARD ARE REQUESTED TO SUBMIT CREDENTIALS TO UNCTAD NEW YORK LIAISON OFFICE BY 20 DECEMBER IF POSSIBLE. GOVERNMENTS OF MEMBERS OF UNCTAD NOT MEMBERS OF THE BOARD WISHING TO ATTEND AS OBSERVERS ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE

INCOMING CABLE

DATE AND TIME OF CABLE: DECEMBER 10, 1966

LOG NO.: WU 13/12

TO: PRESIDENT CORINTFIN

FROM: NEW YORK

ROUTING	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	MR. DEMUTH
DECODED BY:	

TEXT: PAGE 2

BY 20 DECEMBER IF POSSIBLE OF NAMES OF THEIR REPRESENTATIVES
SPECIALIZED AGENCIES, IAEA AND INTERGOVERNMENTAL BODIES WISHING TO
PARTICIPATE IN SESSION UNDER RULE 78 AND NONGOVERNMENTAL ORGANIZATIONS
WISHING TO SIT AS OBSERVERS UNDER RULE 79 ARE REQUESTED TO INFORM UNCTAD
NEW YORK LIAISON OFFICE BY 20 DECEMBER IF POSSIBLE OF THE NAMES OF THEIR
REPRESENTATIVES

PREBISCH SECRETARY GENERAL
UNCTAD UNATIONS GENEVA

MP

I N C O M I N G W I R E

DATE OF WIRE: DECEMBER 9, 1966
LOG NO.: WU 23/12
TO: PRESIDENT INDEVAS
FROM: NEW YORK

R O U T I N G	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	MR. DEMUTH
DECODED BY:	

TEXT: TDO 210 SECRETARY GENERAL OF UNCTAD HAS HONOR TO TRANSMIT HERewith NOTIFICATION CONCERNING SECOND SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD IN ACCORDANCE WITH RULE 6 OF BOARDS RULES OF PROCEDURE.

SECOND COMMITTEE OF GENERAL ASSEMBLY ON 7 DECEMBER 1966 UNANIMOUSLY APPROVED RESOLUTION DECIDING THAT SECOND SESSION OF UNCTAD CONFERENCE SHOULD BE HELD IN NEW DELHI FROM 1 FEBRUARY TO 25 MARCH 1968. SECOND COMMITTEE ON SAME DATE ALSO UNANIMOUSLY APPROVED RESOLUTION INVITING TRADE AND DEVELOPMENT BOARD TO HOLD A SPECIAL SESSION TO BE CONVENED IN NEW YORK FOR 1 DAY ON 21 DECEMBER 1966 IN ORDER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD FOR 1967 WHICH IT ADOPTED AT ITS FOURTH SESSION IN THE LIGHT OF DECISION TAKEN CONCERNING DATE OF SECOND SESSION OF CONFERENCE. SUBJECT TO APPROVAL OF RESOLUTIONS OF SECOND COMMITTEE BY GENERAL ASSEMBLY IN PLENARY THE BOARD WILL BE CONVENED AT UNITED NATIONS HEADQUARTERS IN NEW YORK AT 1030AM ON WEDNESDAY 21 DECEMBER 1966. IN ACCORDANCE WITH RULE 14 OF BOARDS RULES OF PROCEDURE ONLY ITEM ON AGENDA WILL BE REVIEW OF CALENDAR OF UNCTAD MEETINGS FOR 1967.

GOVERNMENTS OF MEMBERS OF THE BOARD ARE REQUESTED TO SUBMIT CREDENTIALS TO UNCTAD NEW YORK LIAISON OFFICE BY 20 DECEMBER IF POSSIBLE.

GOVERNMENTS OF MEMBERS OF UNCTAD NOT MEMBERS OF THE BOARD WISHING TO ATTEND AS OBSERVERS ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE

I N C O M I N G W I R E

DATE OF WIRE: DECEMBER 9, 1966
LOG NO.: WU 23/12
TO: PRESIDENT INDEVAS
FROM: NEW YORK

R O U T I N G	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	MR. DEMUTH
DECODED BY:	

TEXT: PAGE 2

BY 20 DECEMBER IF POSSIBLE OF NAMES OF THEIR REPRESENTATIVES
SPECIALIZED AGENCIES, IAEA AND INTERGOVERNMENTAL BODIES WISHING TO
PARTICIPATE IN SESSION UNDER RULE 78 AND NONGOVERNMENTAL ORGANIZATIONS
WISHING TO SIT AS OBSERVERS UNDER RULE 79 ARE REQUESTED TO INFORM UNCTAD
NEW YORK LEAISN OFFICE BY 20 DECEMBER IF POSSIBLE OF THE NAMES OF THEIR
REPRESENTATIVES

PREBISCH SECRETARY GENERAL
UNCTAD UNATIONS GENEVA

MP

DEC 12 REC'D

I N C O M I N G C A B L E

DATE AND TIME
OF CABLE:

DECEMBER 9, 1966

LOG NO.:

WU 15/12

TO:

PRESIDENT INTBAFRAD

FROM:

GENEVA VIA UN NEW YORK

R O U T I N G

ACTION COPY: MR. WOODS

INFORMATION
COPY: MR. DEMUTH

DECODED BY:

TEXT:

TDO 210 FURTHER MY CABLE NOTIFICATION DATED 8TH DECEMBER 1966 CONCERNING THE CONVENING OF THE SECOND SPECIAL SESSION OF THE TRADE AND DEVELOPMENT BOARD IN NEW YORK ON 21 DECEMBER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD, I WISH TO DRAW YOUR ATTENTION TO THE POSSIBILITY OF THE POST-PONEMENT OF A NUMBER OF MEETINGS SCHEDULED FOR THE EARLY PART OF 1967 FOR WHICH NOTIFICATION IS ALREADY OVERDUE OR IS DUE SHORTLY ACCORDING TO SIX WEEKS RULE. THE NEW CALENDAR FOR 1967 WILL BE TRANSMITTED BY CABLE AS SOON AS IT HAS BEEN APPROVED BY THE BOARD AT ITS SECOND SPECIAL SESSION

RAUL PREBISCH SECRETARY GENERAL UNATIONS GENEVA

MISS SCHMITT TELEPHONED DURING WEEKEND

MT

INCOMING WIRE

DATE OF
WIRE: DECEMBER 9, 1966

LOG NO.: WU 20/12

TO: PRESIDENT INDEVAS

FROM: GENEVA VIA UN NEW YORK

ROUTING	
ACTION COPY:	MR. WOODS
INFORMATION COPY:	MR. DEMUTH
DECODED BY:	

TEXT:

TDO 210 FURTHER MY CABLE NOTIFICATION DATED 8TH DECEMBER 1966 CONCERNING THE CONVENING OF THE SECOND SPECIAL SESSION OF THE TRADE AND DEVELOPMENT BOARD IN NEW YORK ON 21 DECEMBER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD I WISH TO DRAW YOUR ATTENTION TO THE POSSIBILITY OF THE POSTPONE-
MENT OF A NUMBER OF MEETINGS SCHEDULED FOR THE EARLY PART OF 1967 FOR WHICH NOTIFICATION IS ALREADY OVERDUE OR IS DUE SHORTLY ACCORDING TO SIX WEEKS RULE. THE NEW CALENDAR FOR 1967 WILL BE TRANSMITTED BY CABLE AS SOON AS IT HAS BEEN APPROVED BY THE BOARD AT ITS SECOND SPECIAL SESSION

RAUL PREBISCH SECRETARY GENERAL UNATIONS

GENEVA

MT

INCOMING CABLE

DATE AND TIME
OF CABLE:

DECEMBER 9, 1966

LOG NO.:

WU 24/12

TO:

PRESIDENT CORINTFIN

FROM:

GENEVA VIA UN NEW YORK

TEXT:

TDO 210 FURTHER MY CABLE NOTIFICATION DATED 8TH DECEMBER 1966 CONCERNING THE CONVENING OF THE SECOND SPECIAL SESSION OF THE TRADE AND DEVELOPMENT BOARD IN NEW YORK ON 21 DECEMBER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD, I WISH TO DRAW YOUR ATTENTION TO THE POSSIBILITY OF THE POST-PONEMENT OF A NUMBER OF MEETINGS SCHEDULED FOR THE EARLY PART OF 1967 FOR WHICH NOTIFICATION IS ALREADY OVERDUE OR IS DUE SHORTLY ACCORDING TO SIX WEEKS RULE. THE NEW CALENDAR FOR 1967 WILL BE TRANSMITTED BY CABLE AS SOON AS IT HAS BEEN APPROVED BY THE BOARD AT ITS SECOND SPECIAL SESSION

RAUL PREBISCH SECRETARY GENERAL UNATIONS GENEVA

ROUTING

ACTION COPY: MR. WOODS
INFORMATION COPY: MR. DEMUTH
DECODED BY:

THE PRESIDENT

SA

INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

1818 H. STREET, N.W.

WASHINGTON 25, D.C.

USA

Covering slip

NATIONS UNIES



UNITED NATIONS

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

CONFERENCE ON TRADE
AND DEVELOPMENT

*With the compliments
of the Secretary-General
of the United Nations Conference
on Trade and Development*

..... Enclosed herein is a copy of a communication
which for reasons of urgency has been transmitted
directly to the address indicated.

Palais des Nations
GENÈVE

TDO 210 SECRETARY GENERAL OF UNCTAD HAS HONOUR TO TRANSMIT HERewith NOTIFICATION CONCERNING SECOND SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD IN ACCORDANCE WITH RULE SIX OF BOARD'S RULES OF PROCEDURE. PARA SECOND COMMITTEE OF GENERAL ASSEMBLY ON SEVEN DECEMBER 1966 UNANIMOUSLY APPROVED RESOLUTION DECIDING THAT SECOND SESSION OF UNCTAD CONFERENCE SHOULD BE HELD IN NEW DELHI FROM ONE FEBRUARY TO TWENTY-FIVE MARCH 1968. SECOND COMMITTEE ON SAME DATE ALSO UNANIMOUSLY APPROVED RESOLUTION INVITING TRADE AND DEVELOPMENT BOARD TO HOLD A SPECIAL SESSION TO BE CONVENED IN NEW YORK FOR ONE DAY ON TWENTY-ONE DECEMBER 1966 IN ORDER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD FOR 1967 WHICH IT ADOPTED AT ITS FOURTH SESSION IN THE LIGHT OF DECISION TAKEN CONCERNING DATE OF SECOND SESSION OF CONFERENCE. SUBJECT TO APPROVAL OF RESOLUTIONS OF SECOND COMMITTEE BY GENERAL ASSEMBLY IN PLENARY THE BOARD WILL BE CONVENED AT UNITED NATIONS HEADQUARTERS IN NEW YORK AT TEN-THIRTY AM ON WEDNESDAY TWENTY-ONE DECEMBER 1966. IN ACCORDANCE WITH RULE FOURTEEN OF BOARD'S RULES OF PROCEDURE ONLY ITEM ON AGENDA WILL BE REVIEW OF CALENDAR OF UNCTAD MEETINGS FOR 1967. PARA GOVERNMENTS OF MEMBERS OF THE BOARD ARE REQUESTED TO SUBMIT CREDENTIALS TO UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE. PARA GOVERNMENTS OF MEMBERS OF UNCTAD NOT MEMBERS OF THE BOARD WISHING TO ATTEND AS OBSERVERS ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE OF NAMES OF THEIR REPRESENTATIVES. PARA SPECIALIZED AGENCIES, IAEA AND INTERGOVERNMENTAL BODIES WISHING TO PARTICIPATE IN SESSION UNDER RULE SEVENTY-EIGHT AND NONGOVERNMENTAL ORGANIZATIONS WISHING TO SIT AS OBSERVERS UNDER RULE SEVENTY-NINE ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE OF THE NAMES OF THEIR REPRESENTATIVES.

8 December 1966

PREBISCH, SECRETARY-GENERAL
UNCTAD
UNATIONS
GENEVA

THE PRESIDENT

SA

INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H. STREET, N.W.

WASHINGTON 25, D.C.

USA

Covering slip

NATIONS UNIES



CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

UNITED NATIONS

CONFERENCE ON TRADE
AND DEVELOPMENT

*With the compliments
of the Secretary-General
of the United Nations Conference
on Trade and Development*

..... Enclosed herein is a copy of a communication
which for reasons of urgency has been transmitted
directly to the address indicated.

Palais des Nations
GENÈVE

TDO 210 SECRETARY GENERAL OF UNCTAD HAS HONOUR TO TRANSMIT HERewith NOTIFICATION CONCERNING SECOND SPECIAL SESSION OF TRADE AND DEVELOPMENT BOARD IN ACCORDANCE WITH RULE SIX OF BOARD'S RULES OF PROCEDURE. PARA SECOND COMMITTEE OF GENERAL ASSEMBLY ON SEVEN DECEMBER 1966 UNANIMOUSLY APPROVED RESOLUTION DECIDING THAT SECOND SESSION OF UNCTAD CONFERENCE SHOULD BE HELD IN NEW DELHI FROM ONE FEBRUARY TO TWENTY-FIVE MARCH 1968. SECOND COMMITTEE ON SAME DATE ALSO UNANIMOUSLY APPROVED RESOLUTION INVITING TRADE AND DEVELOPMENT BOARD TO HOLD A SPECIAL SESSION TO BE CONVENED IN NEW YORK FOR ONE DAY ON TWENTY-ONE DECEMBER 1966 IN ORDER TO REVIEW THE CALENDAR OF MEETINGS OF UNCTAD FOR 1967 WHICH IT ADOPTED AT ITS FOURTH SESSION IN THE LIGHT OF DECISION TAKEN CONCERNING DATE OF SECOND SESSION OF CONFERENCE. SUBJECT TO APPROVAL OF RESOLUTIONS OF SECOND COMMITTEE BY GENERAL ASSEMBLY IN PLENARY THE BOARD WILL BE CONVENED AT UNITED NATIONS HEADQUARTERS IN NEW YORK AT TEN-THIRTY AM ON WEDNESDAY TWENTY-ONE DECEMBER 1966. IN ACCORDANCE WITH RULE FOURTEEN OF BOARD'S RULES OF PROCEDURE ONLY ITEM ON AGENDA WILL BE REVIEW OF CALENDAR OF UNCTAD MEETINGS FOR 1967. PARA GOVERNMENTS OF MEMBERS OF THE BOARD ARE REQUESTED TO SUBMIT CREDENTIALS TO UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE. PARA GOVERNMENTS OF MEMBERS OF UNCTAD NOT MEMBERS OF THE BOARD WISHING TO ATTEND AS OBSERVERS ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE OF NAMES OF THEIR REPRESENTATIVES. PARA SPECIALIZED AGENCIES, IAEA AND INTERGOVERNMENTAL BODIES WISHING TO PARTICIPATE IN SESSION UNDER RULE SEVENTY-EIGHT AND NONGOVERNMENTAL ORGANIZATIONS WISHING TO SIT AS OBSERVERS UNDER RULE SEVENTY-NINE ARE REQUESTED TO INFORM UNCTAD NEW YORK LIAISON OFFICE BY TWENTY DECEMBER IF POSSIBLE OF THE NAMES OF THEIR REPRESENTATIVES.

8 December 1966

PREBISCH, SECRETARY-GENERAL
UNCTAD
UNATIONS
GENEVA

December 6, 1966

Mr. Benjamin Toren
UNCTAD
UN Headquarters
United Nations
New York, N.Y.

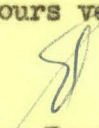
Dear Benny:

As promised, I am sending you on two copies of the article "On National Income Accounting in Developing Countries", prepared by me for publication in The Fund and Bank Review.

Frankly, I have doubts whether you will find it of any great use or interest as background material for your forthcoming Conference. The directives of the editors of The Fund and Bank Review required that the article be couched in non-technical language and should not be too detailed. I imagine that for your purposes you would have preferred it to be somewhat more specific and rigorous. However, you are welcome to extract from it whatever may appear to be of interest or relevance.

With best regards and Holiday Greetings,

Yours very sincerely,


Emanuel Levy
Comparative Country Data Division
Economics Department

Enc: 2

RECEIVED 1966 DEC 11 03

CONFIDENTIAL

1956 DEC -7 AM 11:06

ENC: 5

Department of Defense
Comptroller General of the United States
Washington, D.C.

Dear Sir:

With best regards and cordial greetings,

to express how I appreciate your efforts to be of interest in legislation.
It is to be somewhat more specific and thorough. However, you are most
appreciated. I think that for you, however, you must have been
the subject of concern in non-technical language and should not be too
the objectives of the efforts of the Army and Navy. I believe that
use of interest in legislation is particularly for you, particularly confidence.

Thank you, I have found your efforts and will try to be of help.

We for participation in the Army and Navy.

"On National Income Accounting in Developing Countries," prepared by
as proposed, I am sending you on two copies of the subject.

Very truly,

New York, N.Y.
United Nations
UN Headquarters
UNCLAD
Mr. Benjamin Cohen

December 9, 1956

Mr. Woods

December 2, 1966

Federico Console *for*

UNCTAD - 2nd Session

1. Some time ago you had enquired on the possible overlapping of the 2nd UNCTAD Session with the Bank/Fund meetings in Rio.
2. This matter is now being discussed in the Second Committee of the General Assembly. It is very probable that the 2nd Session of UNCTAD will now be held, always in New Delhi, from the beginning of February to the end of March 1968. The General Assembly will make a final decision in the course of the present session ending on December 20/21.

cc: Mr. Demuth
Mr. Friedman

FC/bmb

Pot

UNCTAD

OFFICE MEMORANDUM

TO: Messrs. ~~Alber/Chamfournier~~

FROM: Michael L. Hoffman *MLH*

SUBJECT: UNCTAD - Dr. D. U. Stikker Study

DATE: November 29, 1966

As you may know, Dr. Dirk U. Stikker is engaged in a study on behalf of UNCTAD of the role of private enterprise in development. In connection with this study, Mr. Woods has agreed to provide him with background economic reports on certain countries which Dr. Stikker plans to visit in the near future. I would appreciate it if you would send to my office as soon as possible one copy of the most recent Bank economic reports on Brazil and Peru, together with any short updating reports which may have been prepared more recently.

Please arrange.

MLH
Given to Dr. Stikker 12/1/66.

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

Mr. Allen to Banker

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

*has new loan,
credit or TR on
the post paper?*

From

LGL-1

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Dec. 6/60

NAME

ROOM NO.

Mr. LIND

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

- 1) The material re ports & shipping came from Mr. Baum
- 2) The material re tourism came from Mr. Skilling; it was prepared by Messrs. L. H. Ritchie & D. Gustafson.

From

Lewis Perinbam

x P&P - Shipping
x S - Ports
x S - Int. Transport

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE
Télex : 22.212 ou 22.344
Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations
CH - 1211 GENÈVE 10
cc: Mr. Dell

REF. No. : TD 505/2
SF/mk

28 November 1966.

Dear Mr. Hoffman,

May I refer to the correspondence you have had with Mr. Dell, Director of the New York Office of UNCTAD, concerning the activities of the World Bank Group in shipping, ports and tourism, (your letter of 18 October 1966). Mr. Dell has forwarded to us the notes which you prepared for use in our report to the Committee on Shipping and Committee on Invisibles and Financing related to Trade.

As you are no doubt aware, the sessions of these two committees have been postponed since Mr. Dell first approached you, and the Committee on Shipping will now meet on 21 February 1967. You may therefore wish to bring up to date the list of Bank/UNDP projects and the list of IBRD loans, so as to reflect the situation at 30 September for example. If so, I would be grateful if you could let me have the necessary addendum within the next few days.

The Committee on Invisibles and Financing related to Trade will now meet on 4 April 1967 and I would be grateful if I could have an additional note, by the middle of January, covering the activities of the Bank Group in this field. I have in mind, for example, the recent participation of the IFC in a tourist complex in Kenya which I am sure you would wish us to mention.

In agreement with Mr. Dell, would you kindly send this supplementary information directly to me.

Yours sincerely,

W.R. Malinowski
Director
Division for Invisibles

Mr. M. Hoffman
Deputy Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433/ USA

acc. Dec. 27/66

1950. 20. 11/1950

Washington, D.C. 50422\ n2v
1818 H Street, N.W.
and Development
International Bank for Reconstruction
Development Services Department
Deputy Director
Mr. W. Hoffmann

Director for Investigations
Director
W.B. Matlinowski

Yours sincerely,

very information directly to me.
In agreement with Mr. Dell, would you kindly send this subitem-

to mention.
of the IFC in a complex in Kenya which I am sure you would wish to
group in this field. I have in mind, for example, the recent participation
from the note, by the middle of January, covering the activities of the Bank
now meet on 4 April 1950 and I would be grateful if I could have an addi-
The Committee on Investigations and Financing related to Trade with

few days.
be grateful if you could let me have the necessary documents within the next
so as to reflect the situation at 30 September for example. If so, I would
bring up to date the list of Bank/IMB projects and the list of IBRD loans,
on which will now meet on 21 February 1950. You may therefore wish to
have been postponed since Mr. Dell first suggested you, and the Committee
as you are no doubt aware, the sessions of these two committees

agree and financing related to Trade.
for me in our report to the Committee on Subsidies and Committee on Invest-
October 1950). Mr. Dell was forwarded to me the notes which you prepared
the World Bank Group in subsidizing, both and financial, (your letter of 18
Director of the New York Office of UNCTAD, concerning the activities of
may I refer to the correspondence you have had with Mr. Dell.

Dear Mr. Hoffmann,

SE/WK
LD 202/S

28 November 1950.

REF. NO.:

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 31 15 on 33 34 44

Telegrams: UNATIONS, GENEVE

cc: Mr. Dell

CH - 1511 GENEVE 10

Bureau des Nations

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



ON LE COMMERCE ET LE DEVELOPPEMENT
CONFERENCE DES NATIONS UNIES

* 2 - Mr. Hoffmann
* 2 - Mr. Dell
* 1 - Mr. Matlinowski

IBRD LOANS FOR SHIPPING, PORTS AND WATERWAYS AS OF JUNE 30, 1966

(Net Amount in millions of U.S. dollars)

<u>Country</u>	<u>Loan No.</u>	<u>Ports and Waterways</u>	<u>Shipping</u>
South Africa	40	0.63 ¹ / ₁	-
South Africa	77	0.55 ¹ / ₁	-
Burundi	165	2.10 ¹ / ₁	-
Sudan	202	3.20 ¹ / ₁	-
Belgian Congo	251	3.13 ¹ / ₁	-
Belgian Congo	252	2.45 ¹ / ₁	-
Nigeria	326	13.50	-
Tunisia	380	7.00	-
Kenya, Tanzania and Uganda	428	5.00 ¹ / ₁	-
Africa -		37.56	
Total as of June 30, 1966.			
Thailand	37	4.40	
India	72	0.55 ¹ / ₁	
Pakistan	126	14.70	-
Burma	140	13.94	-
Thailand	151	3.26	-
India	198	29.00	-
India	199	11.00	-
United Arab Republic	243	56.50	-
Israel	265	27.50	-
Philippines	290	8.50	-
India	294	21.00	-
Pakistan	376	17.00	-
Asia and Middle East -		207.35	
Total as of June 30, 1966			
New Zealand	364	7.11	-
Australasia -		7.11	
Total as of June 30, 1966.			
Netherlands	7 & 7A	-	4.00
Netherlands	8	-	2.00
Netherlands	9	-	2.00
Netherlands	10 & 10A	-	4.00
Turkey	28 & 28S	16.30	-
Yugoslavia	51	0.50 ¹ / ₁	-
Yugoslavia	73	0.10 ¹ / ₁	-
Belgium	107	20.00	-
Belgium	174	10.00	-
Spain	429	40.00	-
Europe - Total as of June 30, 1966		86.90	12.00

¹/ Multipurpose loans of which a portion was allocated for ports and waterways.

IBRD LOANS FOR SHIPPING, PORTS AND WATERWAYS AS OF JUNE 30, 1966

(Net Amount in millions of U.S. dollars)

<u>Country</u>	<u>Loan No.</u>	<u>Ports and Waterways</u>	<u>Shipping</u>
Paraguay	55	0.44 ^{1/}	-
Peru	57	2.41	-
Nicaragua	143	3.20	-
Peru	208	6.75	-
Ecuador	212	13.00	-
Peru	373	3.10	-
Paraguay	437	2.75	-
Peru	446	9.10	-
Western Hemisphere -		40.58	
Total as of June 30, 1966		<u> </u>	
GRAND TOTAL - June 30, 1966		<u>379.50</u>	<u>12.00</u>

198

9930

1/ Multipurpose loans of which a portion was allocated for ports and waterways.

IDA CREDITS FOR PORTS AND WATERWAYS AS OF JUNE 30, 1966

(Net amount in millions of U.S. dollars)

<u>Country</u>	<u>Credit No.</u>	<u>Port and Waterways</u>
China	6	2.17
India	27	18.00
Pakistan	16	2.00
Pakistan	65	<u>5.25</u>
	Total	<u>27.42</u>

BANK/UNDP Projects

The Bank is, or has been, involved in studies of ports, both in the context of its technical assistance activities as well as in its capacity as executing agency of the UNDP. The following ports have been involved in such studies:

<u>Country</u>	<u>Port</u>	
Thailand	Bangkok	UN
Pakistan	Chalna Anchorage	Bank
India	Calcutta	Bank
Iran	All Ports (Administration)	Bank
Somalia	Mogadiscio	Bank
Honduras	Puerto Cortes	Bank
Haiti	Port-au-Prince	Bank
Guyana	Georgetown	UN
Surinam	Paramaribo	UN
Nicaragua	Corinto and South	
	Atlantic Ports	UN
Costa Rica	Moin and Puntarenas (Limon)	UN

In general, the Bank has not been involved in the financing of merchant ships or of shipping companies. Some development banks which have received assistance from the Bank and IFC have, in a very few cases, financed shipping companies. These have been small operations - inland water vessels in East Pakistan, a ferry plying between Morocco and Spain, a single merchant vessel in Morocco and a ferry across the Gulf of California.

Mr. Benjamin B. King

November 25, 1966

Attila Karasmanoglu

Projections of Debt Service, 1966-1975

1. The study carried out by UNCTAD on "Projections of Debt Service 1966-1975" gives three alternative lending terms for 1966, 1970 and 1975.

2. The four projections are designed to answer the following questions:

- (i) assuming gross lending constant at the 1965 level, what will the resulting net lending and debt service liabilities under the alternative lending terms be?
- (ii) assuming a given rate of increase in gross lending, what will the resulting net lending and debt service liabilities under alternative lending terms be? A variant of Projection II is the following: assuming a given rate of increase in gross long-term lending, and a constant level of export credits, what will the resulting net lending, and debt service liabilities under alternative lending terms be?
- (iii) assuming net lending constant at the 1965 level, what is the gross lending required to yield that net flow and meet the resulting service liabilities under alternative lending terms?
- (iv) assuming net lending increasing at a given rate, what is the gross lending required to yield that net flow and meet the resulting service liabilities, under alternative lending terms?

3. The terms for existing debt, average terms (5 percent rate of interest, 15 years average maturity) are used. For the new loan, export credits were projected at terms which approximate the 1964 averages in all alternatives, the remainder of the flow was projected under three alternative terms:

- (i) present average terms;
- (ii) IBRD-type terms;
- (iii) IDA-type terms.

4. Coverage of the study: the total external indebtedness was estimated at \$40 billion at the end of 1965. This includes an estimate of private export credits and commercial arrears (\$3.6 billion) which are not reportable under the IBRD reporting system.

5. Findings; a brief summary of the findings is shown in the attached table.

A.K. Cc: Messrs. Sacchetti
Leon

Mr. Michael L. Hoffman

November 25, 1966

George D. Woods (Signed) George D. Woods

Visit by Dr. D. U. Stikker

As arranged by you, I met with Dr. Stikker on November 23. Dr. Stikker informed me that he has now obtained the services of two assistants who will work with him on his UNCTAD Study. These are: Mr. Peterson, a Danish national, formerly with the Shell Company and now living at Lugano, Italy; and Mr. Butler, an Englishman formerly with ODI and the Economist Intelligence Unit, who will make his base Geneva. Dr. Stikker left with me copies of correspondence he has had with a Dutch lady outlining the ideas he has, at present, for the course of his study. I have read these, and found them quite interesting. I pass them on to you herewith. Dr. Stikker asks that we treat these letters as confidential but he would appreciate any comments that either I or you may have.

Dr. Stikker is proposing a series of visits to different countries and mentioned the following:

<u>Asia:</u>	Pakistan, India
<u>E. Africa:</u>	Kenya, Tanzania, Uganda
<u>W. Africa:</u>	Ivory Coast
<u>Latin America:</u>	Brazil, Peru

He asked my advice on the order of these visits and I suggested that (a) he should not visit both Pakistan and India on the same trip, and (b) that he might be better advised to postpone his visit to India until after the Indian elections next year. We also had some discussion on the best country or countries for him to visit in French West Africa and Dr. Stikker added Senegal and Cameroun to his tentative list.

Dr. Stikker is anxious to obtain World Bank background economic reports on all the countries mentioned above and I promise we would send him whatever we had, even though it might be somewhat out of date; for example, the studies we have at present on the East African countries will be replaced later by the de Wilde mission report. Will you kindly collect the necessary studies and mail them to Dr. Stikker at:

Villa Belfaggio
Menaggio-Loveno
Lago di Como, Italy

As regards India, please consult with Area Department and Bernie Bell on what can be released.

Dr. Stikker and I had some general conversations on the importance of agricultural projects, the status of fertilizer projects (mainly in India) and on whether or not there is a need for more intensively publicizing the opportunities for private enterprise in developing countries.

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NOV 28 REC'D
NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

NOV 30 P.M.

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 280

21 November 1966

Dear Mr. Woods,

I should like to draw your attention to item 4 (c) of the Provisional Agenda for the second regular session of the Committee on Invisibles and Financing Related to Trade of the Trade and Development Board concerning "The terms, co-ordination and effectiveness of aid" (TD/B/73/Annex A(ii)).

It has been suggested in this connexion that it may be useful to explore administrative and operational difficulties which governments of donor and recipient countries and international agencies may be experiencing.

I should therefore like to invite any comments which may be considered appropriate regarding any difficulties encountered at the following stages of the aid-giving process:

- (a) preparation of requests by the recipient country;
- (b) evaluation of requests by the donor country or international agency;
- (c) negotiation of the aid agreement;
- (d) the interval between the conclusion of the agreement and actual disbursement.

Mr. G.D. Woods
President
International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

AIN 1 (2) }
AIN 4 (10) }

RECEIVED 11:15

ack. Jan. 23

U.S.A.

Washington, D.C. 20533
1818 H Street, N.W.

Reconstruction and Development
International Bank for
President
Mr. C.D. Woods

COMMUNICATIONS

1966 NOV 26 PM 1:12

Oct 26 1966

4/11 (10)
4/11 (10)

- agreement and actual disbursement.
- (d) the interval between the conclusion of the
 - (e) negotiation of the aid agreement:

- (f) evaluation of requests by the donor country or
- (g) preparation of requests by the recipient country:

the following stages of the aid-giving process:

considered appropriate regarding any difficulties encountered at

I should therefore like to invite any comments which may be
agencies may be experiencing.

Governments of donor and recipient countries and international
to explore administrative and operational difficulties which

It has been suggested in this connection that it may be useful
effectiveness of aid" (LD/B/23/Annex A(II)).

Development Board concerning "The terms' co-ordination and
on indicators and financing related to Trade of the Trade and
Provisional Agenda for the second regular session of the Committee

I should like to draw your attention to item A (c) of the
Dear Mr. Woods,

REF. No: LDO 580

21 November 1966

Telephone: 3400 11 33 40 00 33 50 00 33 10 00

Telex: 33313 or 33344

Teletypes: DIVISIONS' CENELE

1311 CENELE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

NOV 28 1966

NOV 28 1966

In order to permit the summarization and distribution of replies in time for the second regular session of the Committee in April 1967, it would be appreciated if such replies could be received by 16 January 1967, addressed to the New York Liaison Office of UNCTAD.

Yours sincerely,

Raúl Prebisch

Raúl Raúl Prebisch
Secretary-General

November 21, 1966

Dear Dr. Prebisch:

On behalf of Mr. Woods I wish to acknowledge receipt of your letter CE/aw of November 14 and to thank you for having sent the Bank a copy of the reports on trade expansion, economic cooperation and integration among developing countries.

These reports will be carefully considered by the appropriate departments of the Bank and their comments, if any, will be sent to you in due course.

Sincerely yours,

Federico Consolo
Special Representative
for
United Nations Organizations

Dr. Raul Prebisch
Secretary General
United Nations Conference
on Trade and Development
Palais des Nations
CH.1211 Geneva 10
Switzerland

cc: Messrs. Friedman/Kamarck with incoming correspondence and reports
Mr. Wishart
Central Files

FC:emo

OFFICE MEMORANDUM

TO: FILES

DATE: November 21, 1966

FROM: Andrew M. Kamarck *amk*SUBJECT: Conversation with Sidney Dell, November 18, 1966

I called Sidney Dell, UNCTAD in New York, on November 18. I told him that the revised paragraphs on the methodology of export projections describing the discussion in Geneva of the Intergovernmental Group were alright.

I also asked him whether he had any objections to our informing the Board in our report on the meeting in Geneva that he had suggested that the group might make an interim report to the Committee on Invisibles and report directly to the second UNCTAD conference if it were held in September or October, 1968. Mr. Dell said that this was alright with him.

I asked him also whether he saw any objections to our informing the Board of the various comments made by the government delegations and identifying the particular delegations. Mr. Dell said that he saw no objection to that, that under the rules of the Group the representatives were speaking for their governments.

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING SSM/M/66-44

DATED: November 21, 1966

TO:

FROM:

FILED UNDER: SENIOR STAFF MEETING

SUMMARY:

SECOND UNCTAD CONFERENCE

6. Mr. Demuth reported that the second UNCTAD Conference, which had been scheduled to take place in September and October, 1967, in New Delhi, was likely to be postponed until February or March, 1968.

CROSS REFERENCE SHEET

COMMUNICATION: Memo**DATED:** November 15, 1966**TO:** Mr. A.M. Kamarck**FROM:** Mr. Karaosmanoglu**FILED UNDER:** Indebtedness - Gen.**SUMMARY:** Re: Concerning the UNCTAD paper titled "Projections of Debt Service, 1966-1975"

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



OFFICE OF THE SECRETARY-GENERAL
OF UNCTAD

CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

BUREAU DU SECRÉTAIRE-GÉNÉRAL
DE L'UNCTAD

NOV 17 REC'D

NOV 18 PM

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No. : CE/aw

14 November 1966

Dear Mr. Woods,

..... Pursuant to paragraph 2 of the Resolution of the 4th Session of the Trade and Development Board (text of which I enclose), I have the honour of transmitting to you formally the reports of an Expert Group and of the UNCTAD Secretariat dealing with trade expansion, economic co-operation and integration among developing countries (TD/B/68 and TD/B/85).

The purpose of this transmission is to offer the institutions of the World Bank group the opportunity to comment on the suggestions contained in the reports that relate to it. The main responsibility in this field falls no doubt upon the developing countries themselves. But since the Trade and Development Board will at its 5th Session, i.e. next May, discuss also "the international action to be taken in support of the efforts of the developing countries" in regard to trade and integration among themselves, it would be very useful for us if we could be informed, in the manner you would regard as suitable, of your views on the suggestions contained in the reports mentioned.

As you can see in Chapter VII (particularly paragraphs 27 to 39) of TD/B/85, we have tried to suggest some guide-lines and principles that might form part of a more systematic and explicit policy of outside support to integration attempts in the developing part of the world. The suggestions are the fruit of a detailed study of the practical problems which developing countries in all parts of the world encounter when envisaging trade expansion, economic co-operation and integration among themselves. Moreover, at a moment when there is ever more insistence on the necessity of a more economic use of aid resources, we feel that there is a case for examining the possibilities for ensuring that aid to individual countries would take more fully into account regional and sub-regional perspectives. In view of the special difficulties of the integration process among developing countries, our study has also led us to believe that the knowledge that international assistance would be available for solving some of these special problems might enable the developing countries to tackle regional or sub-regional co-operation in a more forthcoming manner.

Mr. George D. Woods
President
International Bank for
Reconstruction and Development
1818 H Street NW
Washington, D.C. 20433
Etats-Unis d'Amerique.

RECEIVED 13 60 3:31

COMMUNICATIONS

del. Jan. 19th

Efforts - must be given priority.

Washington, D.C. 20533

1818 H Street NW

Reconstruction and Development

International Bank for

President

Mr. George D. Moore

RECEIVED
COMMUNICATIONS

1966 NOV 17 PM 3:37

01.10.1966

co-operation in a more forthcoming manner.

While ensuring the developing countries to receive regional or sub-regional assistance must be a priority for solving some of these specific problems and it is also to be noted that the knowledge that international organizations of the integration process among developing countries, on account regional and sub-regional relationships. In view of the specific for ensuring that and to industrial countries must take more fully into resources, we feel that there is a case for examining the possibilities is even more importance on the necessity of a more economic use of and integration among themselves. Moreover, it is a moment when there must encounter when emphasizing trade expansion, economic co-operation bilateral programs must developing countries in all fields of the world. The suggestions are the first of a detailed study of the outside authority to integration efforts in the developing field of the that which is a more systematic and explicit policy of of ID/B/82, we have tried to suggest some single issues and principles as you can see in Chapter VII (background relationships 21 to 30)

Items on the suggestions contained in the reports mentioned. could be informed, in the manner you must regard as appropriate, of your integration among themselves, it must be very useful for us if we of the efforts of the developing countries, in regard to trade and next year, discuss also "the international action to be taken in support but since the trade and development board will at its 2nd session, i.e. in this field falls no doubt upon the developing countries themselves, contained in the reports that relate to it. The main responsibility the world bank should be obviously to comment on the suggestions

The purpose of this transmission is to offer the institutions of

ID/B/82).

co-operation and integration among developing countries (ID/B/82 and and of the UNCTAD secretariat dealing with trade expansion, economic monom of transmitting to you formally the reports of an expert group

..... the trade and development board (text of which I enclose), I have the pleasure to refer to 5 of the resolution of the 1st session of

Dear Mr. Moore,

REF. NO.:

CE/SM

14 November 1966

Telephone: 340011 334000 333000 331000

Telex: 555525 UN 33344

Teletypes: UNATIONS, GENEVE

CH - 1311 GENEVE 10

Bureau des Nations

OF UNCTAD
OFFICE OF THE SECRETARY-GENERAL

DE L'UNCTAD
BUREAU DU SECRÉTAIRE-GENERAL

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



200 LE COMMERCE ET LE DEVELOPPEMENT
CONFERENCE DES NATIONS UNIES

MOA J 2 REC.D

MOA 18 1966

Your comments on these and other points would no doubt facilitate the definition of the action programmes that are envisaged in this respect by the resolution referred to above. The UNCTAD Secretariat is, of course, at your disposal for any clarifications that may be required.

Yours sincerely,

(9) 
Raúl Prebisch



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WBG ARCHIVES

Distr.
LIMITED

TD/B/L.97
22 September 1966

Original: ENGLISH

United Nations Conference on Trade and Development

DECLASSIFIED

JUN 24 2024

WBG ARCHIVES

TRADE AND DEVELOPMENT BOARD
Fourth session
Agenda item 17

TRADE EXPANSION, ECONOMIC CO-OPERATION AND INTEGRATION
AMONG DEVELOPING COUNTRIES

Trade expansion and economic integration among developing countries

Argentina, Bolivia, Brazil, Cameroon, Ceylon, Chile, Congo (Democratic Republic), Dahomey, Ecuador, El Salvador, Ethiopia, Ghana, Guinea, Honduras, India, Indonesia, Iran, Iraq, Lebanon, Madagascar, Mali, Morocco, Mexico, Nigeria, Pakistan, Philippines, United Arab Republic, United Republic of Tanzania, Uruguay and Yugoslavia: Joint draft resolution

The Trade and Development Board

Recalling the recommendations of the First Conference regarding the necessity of expanding trade and promoting economic co-operation and integration among developing countries on a mutually beneficial basis;

Conscious of the significant contribution which collective self-help efforts among developing countries could make for accelerating development;

Taking note of the efforts undertaken by developing countries to expand trade among themselves, to establish regional or sub-regional markets and to plan development on an integrated basis;

Appreciating the sustained efforts undertaken by the Regional Economic Commissions and the Economic and Social Office in Beirut in this field;

Considering that the reports submitted to the Board (report of the group of experts on "Trade Expansion and Economic Co-operation among Developing Countries", TD/B/68; report of the UNCTAD Secretariat on "Trade Expansion and Economic Integration among Developing Countries", TD/B/85); require detailed study and discussion with a view to defining the action programmes that might be adopted by the time of the Second Conference;

1. Requests the Secretary-General of UNCTAD to transmit the two reports to the Regional Economic Commissions, the Economic and Social Office in Beirut and the existing economic groupings of the developing countries for their consideration, comments and suggestions;
2. Requests the Secretary-General of UNCTAD to transmit the reports to the international and regional financial institutions and appropriate intergovernmental organizations offering them the opportunity to comment on the suggestions contained therein that relate to them;
3. Decides that a discussion on trade expansion, economic co-operation and integration, on a regional, sub-regional and inter-regional basis, among developing countries will take place at its 5th session with special regard to the following points, such as;
 - (a) the action to be taken by developing countries
 - (b) the international action to be taken in support of the efforts of the developing countries
 - (c) the further steps for preparing the programmes to be considered in this respect at the Second Conference.
4. Invites the Secretary-General of UNCTAD to assist, as may be requested, existing economic groupings of the developing countries in the consideration and preparation of this subject matter.

UNCTAD

OFFICE MEMORANDUM

TO: FILES

DATE: November 7, 1966

FROM: Federico Consolo *FC*SUBJECT: UNCTAD - 2nd Session of Conference

1. Attached is a letter from Dr. Prebisch which is self-explanatory and requires no action on our part. *✓ 10-26-66*

Encls.

cc: Mr. Demuth
Mr. Friedman
Mr. Kamarck
Mr. Karasz - Paris
Mr. Kalmanoff
Europe Department
Africa "
Asia "
Western Hemisphere Department
Information Department

November 7, 1966

Dear Dr. Prebisch

On behalf of Mr. Woods I acknowledge receipt of your letters TDO 233 (2nd) of October 26[✓] and thank you for having sent the draft provisional agenda for the second session of UNCTAD.

Sincerely yours,

Federico Consolo
Special Representative
for
United Nations Organizations

Dr. Raul Prebisch
Secretary General
United Nations Conference
on Trade and Development
Palais des Nations
1211 Geneva 10

cc: Mr. Wishart
Central files with¹incoming letter

FC:bmb

CROSS REFERENCE SHEET

COMMUNICATION: Memo
DATED: November 3, 1966
TO: Files

FROM: Mr. Barend de Vries

FILED UNDER: STUDIES - Rubber

SUMMARY: Re: Inquiry from Mr. Lieftinck concerning a study which he sent to Mr. Friedman some time ago. The study was undertaken by Dr. 't Hooft Welvaars working for UNCTAD on "The Financial Resources Possibly Required by the Natural Rubber Industry in the Next 10 - 20 Years".

November 1, 1966

Dr. Dirk U. Stikker
Villa Belfaggio
Menaggio - Lovenio
Lago di Como, Italy

Dear Dr. Stikker:

Mr. Woods will be happy to see you on November 23 and has reserved 11:30 a.m. for an appointment. I hope this is agreeable and would appreciate it if you could send us a confirmation.

It is too bad about Norris Johnson, but I think I know who your young man from England is and I believe he could be very helpful to you.

I have no objection whatever to your quoting from my "UNCTAD and the Businessman," but please don't quote me as a Bank official. I was in private business at the time I wrote the article and therefore able to express myself more freely on controversial matters than I would be today.

Unfortunately, I will be in Europe when you are next in Washington, but upon my return I shall be very much interested to be brought up to date on developments in connection with your important project.

Sincerely yours,

Michael L. Hoffman
Associate Director
Development Services Department

R
MLH: tf

cc: Mr. Wishart

MLH 11-7-66

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

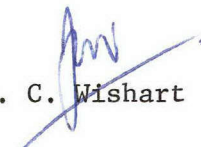
OFFICE OF THE PRESIDENT

November 2, 1966

Mr. Hoffman:

SUBJ: Visit to Washington by Dr. Stikker

As you will see from the attached, Mr. Woods would be agreeable to meeting with Dr. Stikker on November 23. We suggest 11:30 a.m. as the time and have tentatively reserved this on Mr. Woods's calendar. I presume you will now write to Dr. Stikker and firm up the appointment. If there is any change in this arrangement, please let us know.


G. C. Wishart

cc: Miss Linahan
Miss Schmitt

GCW:

Last meeting (10/3/66) was attended by Messrs.
Hoffman, ~~Rosen~~ *Raj*.

S

11:30 AM.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

to: Mr. Wishart *Mr. Mr.*
FROM: Michael L. Hoffman *mlh*
SUBJECT: Dr. Stikker's UNCTAD Mission

DATE: November 1, 1966

GLW yes - 10-25-66 [signature] 11/2

You may wish to show the attached letter to Mr. Woods. In any case, you will want to call to his attention Dr. Stikker's desire to meet Mr. Woods again on Wednesday, November 23, his somewhat cryptic comment on Indian fertilizer, and the fact that he did not get Mr. Norris Johnson to work with him.

As I will not be in the Bank on November 23, I would be very grateful if Mr. Woods would agree to have you present so that I could be brought up to date on Dr. Stikker's plans. Will you let me know if Mr. Woods will see Dr. Stikker so that I can reply to the letter.

Attach.

Mr. Woods

Dr. Stikker

Will you be agreeable to meeting with Dr. Stikker on Nov. 23 as he requests? jwh iNH

November 1, 1966

Mr. Sidney Dell, Director
New York Office of UNCTAD
United Nations, N. Y.

Dear Mr. Dell:

In Mr. Kamarck's absence, I acknowledge with thanks your letter of October 27, 1966 (your reference: TDS 241(4), Debt Servicing), enclosing a draft on "Projections on Debt Service-1966-1975." We shall study the draft with great interest and we shall write to you if we have any comments or questions.

Sincerely yours,

Paolo Leon
Economics Department

PL/GW

Cc: Messrs. Kamarck
de Vries
Sacchetti
Goor

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No. :

27 October 1966

Dear Mr. Hoffman,

I would much appreciate it if
you could send me the Annual Reports
of the last two years of the World
Bank, the IDA and the IFC.

With kind regards,

Yours sincerely,

done 11/1
D.U. Stikker
D.U. Stikker

Mr. Michael L. Hoffman,
Associate Director,
International Development
Association,
1818 "H" Street, N.W.,
Washington D.C.,
U.S.A.

UNITED NATIONS



NATIONS UNIES

NEW YORK

CABLE ADDRESS • UNATIONS NEWYORK • ADRESSE TELEGRAPHIQUE

REFERENCE: TDS 241(4)
Debt Servicing

27 October, 1966.

Dear Andy,

We have been doing some work here on projections of future debt service by developing countries using World Bank material on outstanding indebtedness, and making various alternative assumptions about future capital inflows.

The work is by no means finished, and there are a number of refinements that we plan to introduce, including an evaluation of the consequences of assuming fulfilment of the UNCTAD aid target.

... The work has nevertheless reached a stage at which I feel it would be helpful to obtain your comments, and I am therefore enclosing a copy of a paper setting out the findings thus far available. When you have had an opportunity of going over the paper, I should much appreciate hearing from you about it. The paper is to be ultimately expanded and put into a form suitable for study in the Committee on Invisibles and Financing related to Trade and at the next Conference.

Yours sincerely,

Sidney

S.Dell, Director
New York Office of UNCTAD

Mr. A. Kamarck
Director
Economics Department
International Bank for Reconstruction
and Development
1919 H Street, N.W.
Washington D.C. 20433

ack. 11-1-66

UNITED NATIONS
COMMUNICATIONS

Washington D.C. 20533

1210 N Street, N.W.

and development

International Bank for Reconstruction

Economic Development

Director

Mr. V. Karam

1966 OCT 28 AM 10:44

New York Office of UNCTAD

S. Dell, Director

S. Dell

Yours sincerely,

... The work has nevertheless reached a stage at which I feel it
consequences of assisting fulfillment of the UNCTAD and target
requirements that we have to introduce, including an evaluation of the
The work is by no means finished, and there are a number of
future subject matters.
The interpretation, and making various administrative arrangements should
be made by developing countries using World Bank material on outstand-
We have been doing some work here on projections of future debt
Debt, and

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The interpretation, and making various administrative arrangements should
be made by developing countries using World Bank material on outstand-
We have been doing some work here on projections of future debt

Debt, and

21 October, 1966

Dept. Relations

REFERENCE LDE 513 (1)

UNITED NATIONS - DIVISION DE RECHERCHES - VERBODEN VERGELIJKEN

NEW YORK

UNITED NATIONS



NATIONS UNIES

51 513 (1)

10/28/66

ds

FORM No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP		Date Nov. 7	
NAME		ROOM NO.	
Mr. Rosen 11/8		900	
To Handle		Note and File	
Appropriate Disposition		Note and Return	
Approval		Prepare Reply	
Comment		Per Our Conversation	
Full Report		Recommendation	
Information		Signature	
Initial		Send On	
REMARKS			
UNRECORDED Similar letters have been received by IBRD & IDA: no action is required - I am informing the various departments of the Bank interested in this			
From			

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT

NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

26 October 1966

m

Dear Mr. Woods,

..... I have pleasure in enclosing, for your information, copy of a note verbale sent to all States members of UNCTAD regarding the draft provisional agenda for the second session of the United Nations Conference on Trade and Development.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Raúl Prebisch".

Raúl Prebisch
Secretary-General

Mr. G. D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington 20433, D.C.
USA

ack. 11-7-66

RECEIVED
11-11-66
11-11-66

RECEIVED
UNITED NATIONS
COMMUNICATIONS

1966 OCT 31 AM 11:21

USV
Washington 20533, D.C.
1818 H Street, N.W.
International Finance Corporation
President
Mr. C. D. Moods

100-11-5-85

Secretary-General
United Nations



Yours sincerely,

Nations Conference on Trade and Development.

draft provisional agenda for the second session of the United
a note verbale sent to all States members of UNCTAD regarding the

..... I have pleasure in enclosing, for your information, copy of
Dear Mr. Moods,

REF. No: LDO 533 (5th)

20 October 1966

Telephone: 3400 11 33 40 00 33 30 00 33 10 00

Telex: 33313 or 33344

Telegrams: UNATIONS, GENEVE

1311 GENEVE 10
Bureau des Nations

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UNITED NATIONS



EL LE DELEGATION
CONFERENCE SUR LE COMMERCE
NATIONS UNIES

100-11-5-85

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



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CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

and has the honour to inform His Excellency's Government that at its fourth session (Geneva, 30 August - 24 September 1966), the Trade and Development Board approved the draft provisional agenda for the second session of the United Nations Conference on Trade and Development. The text of the draft provisional agenda is
..... reproduced in the annex.

The Board also decided that the draft provisional agenda should be forwarded to all States members of UNCTAD, to the subsidiary bodies of the Board, to the regional economic commissions of the United Nations, and to the United Nations Economic and Social Office in Beirut, as a basis for the preparation of the second Conference, and for such comments, observations or recommendations as they might wish to submit to the fifth session of the Board (4 - 30 May 1967), on the substance of the items in the draft provisional agenda. The Secretary-General of UNCTAD would be grateful if His Excellency's Government, should it wish to submit such comments, observations or recommendations, could do so if possible by not later than 1 March 1967.

26 October 1966

RP.



TDO 233 (2nd)

Annex

Draft provisional agenda for the second Conference,
as approved by the Board at its fourth session

I. TRENDS AND PROBLEMS IN WORLD TRADE AND DEVELOPMENT

- (a) Review of recent developments and long-term trends, implementation of the recommendations and other provisions of the Final Act of the first conference - consideration of further action.
- (b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development (see Annexes A.I.1; A.I.2 and A.I.3 of the Final Act of UNCTAD, 1964).
- (c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.
- (d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.

II. COMMODITY PROBLEMS AND POLICIES

- (a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Main elements of commodity policy including international commodity arrangements and other techniques of commodity market stabilization^{1/}.

^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

- (i) operation and financing of buffer stocks;
- (ii) role and financing of diversification programmes;
- (iii) basic principles and guidelines for pricing policy designed to maximize receipts from export of primary commodities.
- (c) Programme for the liberalization and expansion of trade in commodities of interest to developing countries.

III. EXPANSION AND DIVERSIFICATION OF EXPORT OF MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES

- (a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.
- (c) Programme for the liberalization and expansion of trade in manufactures and semi-manufactures of interest to developing countries.
- (d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export oriented industries in developing countries; other forms of economic, industrial and technical co-operation.
- (e) Arrangements leading to the reshaping of the existing international division of labour

IV. GROWTH, DEVELOPMENT FINANCE AND AID (SYNCHRONIZATION OF INTERNATIONAL AND NATIONAL POLICIES)

- (a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Financial resources and requirements of developing countries.
 - (i) measures for increasing the flow of international public and private capital to developing countries
 - (ii) measures for improving the terms and conditions of aid
 - (iii) measures for dealing with the problem of international indebtedness

- (c) Supplementary financial measures.
- (d) Compensatory financing^{2/}.
- (e) Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries^{7/}.

V. PROBLEMS OF DEVELOPING COUNTRIES IN REGARD TO INVISIBLES INCLUDING SHIPPING

- (a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the First Conference.
- (b) Level and structure of freight rates, Conference Practices and adequacy of shipping services - progress report on studies by the Secretariat.
- (c) Shipping Industry in developing countries including expansion of merchant marines of developing countries.
- (d) Consultation Machinery in Shipping.
- (e) Port Improvements. Progress report on studies by the Secretariat.
- (f) International legislation on Shipping^{7/}.
- (g) Transfer of technology, including know-how and patents.

VI. TRADE EXPANSION AND ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES, MEASURES TO BE TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES - INCLUDING REGIONAL, SUBREGIONAL AND INTER REGIONAL ARRANGEMENTS

VII. SPECIAL MEASURES TO BE TAKEN IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES AIMED AT EXPANDING THEIR TRADE AND IMPROVING THEIR ECONOMIC AND SOCIAL DEVELOPMENT

VIII. GENERAL REVIEW OF THE WORK OF UNCTAD

- (a) Activities of the organs of the Conference.
- (b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

^{2/} Reservation entered by Group B concerning the need for a specific sub-item on this subject.

NOV 1 A.M.

26 October 1966

acc. 11-7-66

U.S. DEPT. OF
COMMUNICATIONS

1966 OCT 31 AM 11:21

USV
Washington, D.C. 20533
1818 H Street, N.W.
and Development
International Bank for Reconstruction
President
Mr. C.D. Moore

11-1-66

Secretary-General
Paul Prebisch

Yours sincerely,

Nations Conference on Trade and Development.

draft provisional agenda for the second session of the United
a note verbatim sent to all States members of UNCTAD regarding the

..... I have pleasure in enclosing, for your information, copy of
Dear Mr. Moore,

De

REF. No: LDO 533 (5mg)

28 October 1966

Telephone: 3400 11 33 40 00 33 50 00 33 10 00

Telex: 33 513 or 33 344

Telegrams: UNATIONS' GENEVE

1311 GENEVE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

OCT 31 1966

M.A. 1 VOM

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

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ET LE DÉVELOPPEMENT

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Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

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26 October 1966

RP.



TDO 233 (2nd)

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as approved by the Board at its fourth session

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- (c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.
- (d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.

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- (a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first conference.
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^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

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 - (ii) role and financing of diversification programmes;
 - (iii) basic principles and guidelines for pricing policy designed to maximize receipts from export of primary commodities.
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- (a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first conference.
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- (c) Programme for the liberalization and expansion of trade in manufactures and semi-manufactures of interest to developing countries.
- (d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export oriented industries in developing countries; other forms of economic, industrial and technical co-operation.
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IV. GROWTH, DEVELOPMENT FINANCE AND AID (SYNCHRONIZATION OF INTERNATIONAL AND NATIONAL POLICIES)

- (a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Financial resources and requirements of developing countries.
 - (i) measures for increasing the flow of international public and private capital to developing countries
 - (ii) measures for improving the terms and conditions of aid
 - (iii) measures for dealing with the problem of international indebtedness

- (c) Supplementary financial measures.
- (d) Compensatory financing^{2/}.
- (e) Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries^{7/}.

V. PROBLEMS OF DEVELOPING COUNTRIES IN REGARD TO INVISIBLES INCLUDING SHIPPING

- (a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the First Conference.
- (b) Level and structure of freight rates, Conference Practices and adequacy of shipping services - progress report on studies by the Secretariat.
- (c) Shipping Industry in developing countries including expansion of merchant marines of developing countries.
- (d) Consultation Machinery in Shipping.
- (e) Port Improvements. Progress report on studies by the Secretariat.
- (f) International legislation on Shipping^{7/}.
- (g) Transfer of technology, including know-how and patents.

VI. TRADE EXPANSION AND ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES, MEASURES TO BE TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES - INCLUDING REGIONAL, SUBREGIONAL AND INTER REGIONAL ARRANGEMENTS

VII. SPECIAL MEASURES TO BE TAKEN IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES AIMED AT EXPANDING THEIR TRADE AND IMPROVING THEIR ECONOMIC AND SOCIAL DEVELOPMENT

VIII. GENERAL REVIEW OF THE WORK OF UNCTAD

- (a) Activities of the organs of the Conference.
- (b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

^{2/} Reservation entered by Group B concerning the need for a specific sub-item on this subject.

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

26 October 1966

A handwritten signature in dark ink, appearing to be 'D. Woods', located to the right of the date.

Dear Mr. Woods,

..... I have pleasure in enclosing, for your information, copy of
a note verbale sent to all States members of UNCTAD regarding the
draft provisional agenda for the second session of the United
Nations Conference on Trade and Development.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'Raúl Prebisch', located above the typed name.

Raúl Prebisch
Secretary-General

Mr. G. D. Woods
President
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
USA

acc. 11-7-66

RECEIVED
CONFIDENTIAL

NSA

Washington, D.C. 20533

1818 H Street, N.W.

International Development Association
President

Mr. G. D. Moode

COMMUNICATIONS

1966 OCT 31 PM 11:21

100-11-1-90

Secretary-General
BART PRETIACH



Yours sincerely,

Nations Conference on Trade and Development.

draft provisional agenda for the second session of the United

a note verbatim sent to all States members of UNCTAD regarding the

.....

I have pleasure in enclosing, for your information, copy of

Dear Mr. Moode,



REF. No: LDO 533 (5nd)

26 October 1966

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 313 or 33 344

Telegrammes: UNATIONS' GENEVE

1311 GENEVE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



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Télex : 22.212 ou 22.344

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Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 233 (2nd)

and has the honour to inform His Excellency's Government that at its fourth session (Geneva, 30 August - 24 September 1966), the Trade and Development Board approved the draft provisional agenda for the second session of the United Nations Conference on Trade and Development. The text of the draft provisional agenda is reproduced in the annex.

The Board also decided that the draft provisional agenda should be forwarded to all States members of UNCTAD, to the subsidiary bodies of the Board, to the regional economic commissions of the United Nations, and to the United Nations Economic and Social Office in Beirut, as a basis for the preparation of the second Conference, and for such comments, observations or recommendations as they might wish to submit to the fifth session of the Board (4 - 30 May 1967), on the substance of the items in the draft provisional agenda. The Secretary-General of UNCTAD would be grateful if His Excellency's Government, should it wish to submit such comments, observations or recommendations, could do so if possible by not later than 1 March 1967.

26 October 1966

RP.



TDO 233 (2nd)

Annex

Draft provisional agenda for the second Conference,
as approved by the Board at its fourth session

I. TRENDS AND PROBLEMS IN WORLD TRADE AND DEVELOPMENT

- (a) Review of recent developments and long-term trends, implementation of the recommendations and other provisions of the Final Act of the first conference - consideration of further action.
- (b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development (see Annexes A.I.1; A.I.2 and A.I.3 of the Final Act of UNCTAD, 1964).
- (c) Trade relations among countries having different economic and social systems including problems of East-West trade, paying attention particularly to the trade interests of developing countries and taking into account the work in this field of other United Nations organs, including the regional economic commissions.
- (d) Impact of the regional economic groupings of the developed countries on international trade including the trade of the developing countries.

II. COMMODITY PROBLEMS AND POLICIES

- (a) Review of recent developments and long-term trends in commodity trade including activities of commodity groups and other commodity bodies in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Main elements of commodity policy including international commodity arrangements and other techniques of commodity market stabilization^{1/}.

^{1/} It was emphasized by a number of countries that these matters would need to be examined in relation to the situation in particular commodities.

- (i) operation and financing of buffer stocks;
- (ii) role and financing of diversification programmes;
- (iii) basic principles and guidelines for pricing policy designed to maximize receipts from export of primary commodities.
- (c) Programme for the liberalization and expansion of trade in commodities of interest to developing countries.

III. EXPANSION AND DIVERSIFICATION OF EXPORT OF MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES

- (a) Review of recent developments and long-term trends in trade in manufactures and semi-manufactures in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Preferential or free entry of exports of manufactures and semi-manufactures of developing countries to the developed countries.
- (c) Programme for the liberalization and expansion of trade in manufactures and semi-manufactures of interest to developing countries.
- (d) Measures for the promotion, expansion and diversification of exports of manufactures and semi-manufactures from developing countries; co-operation with UNCTAD aimed at the establishment and expansion of export oriented industries in developing countries; other forms of economic, industrial and technical co-operation.
- (e) Arrangements leading to the reshaping of the existing international division of labour

IV. GROWTH, DEVELOPMENT FINANCE AND AID (SYNCHRONIZATION OF INTERNATIONAL AND NATIONAL POLICIES)

- (a) Review of recent developments and long-term trends in the light of recommendations and other provisions of the Final Act of the first conference.
- (b) Financial resources and requirements of developing countries.
 - (i) measures for increasing the flow of international public and private capital to developing countries
 - (ii) measures for improving the terms and conditions of aid
 - (iii) measures for dealing with the problem of international indebtedness

- (c) Supplementary financial measures.
- (d) Compensatory financing^{2/}.
- (e) Reform of the International Monetary System - measures for international reserve creation and their relation to development finance and trade of developing countries^{7/}.

V. PROBLEMS OF DEVELOPING COUNTRIES IN REGARD TO INVISIBLES INCLUDING SHIPPING

- (a) Review of recent developments and long-term trends in the field of invisibles including shipping in the light of the recommendations and other provisions of the Final Act of the First Conference.
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- (c) Shipping Industry in developing countries including expansion of merchant marines of developing countries.
- (d) Consultation Machinery in Shipping.
- (e) Port Improvements. Progress report on studies by the Secretariat.
- (f) International legislation on Shipping^{7/}.
- (g) Transfer of technology, including know-how and patents.

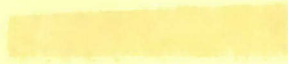
VI. TRADE EXPANSION AND ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES, MEASURES TO BE TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES - INCLUDING REGIONAL, SUBREGIONAL AND INTER REGIONAL ARRANGEMENTS

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- (a) Activities of the organs of the Conference.
- (b) Technical assistance activities relating to trade including training of technical and special staff of developing countries.

^{2/} Reservation entered by Group B concerning the need for a specific sub-item on this subject.



D. U. STIKKER

TEL. 2361 MENAGGIO

VILLA BELFAGGIO

MENAGGIO - LOVENO

LAGO DI COMO

October 25, 1966

Mr. Michael L. Hoffman
Associate Director
International Development Association
1818 H Street, N.W.,
Washington, D.C. 20433

Dear Mr. Hoffman,

Thank you for your letter of October 11[✓] which I found after my return from London and Amsterdam to this quiet lake in Italy.

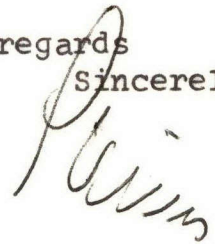
I am sorry to inform you that I finally did not succeed to make an arrangement with Mr. Norris O. Johnson. I am sure that the collaboration with him would have been very helpfull for my assignment but our time-schedules did not fit, and the Ford Foundation did not succeed in its efforts to find a financial arrangement convenient both to Mr. Johnson and to the Foundation.

I am now in touch with a younger man, who worked with the Economist and the Overseas Development Institute in London, and had local experience in some of the African developing countries. This will probably mean that I have to work harder on the report myself.

I am most grateful for the two papers you sent me; specially your outspoken comments on Unctad and the Businessman are very much to the point. May I quote some lines from this document?

I hope to be in the week between 19-26 November in Washington and would appreciate if I could meet again for another hour with Mr. Woods and yourself on Wednesday, November 23. I am aware of some developments in industrial circles about the fertilizer project in India, which I consider to be one of the most important test-cases.

With kind regards
Sincerely



acc. 10-1-66

UNITED NATIONS NATIONS UNIES
NEW YORK

CABLE ADDRESS · UNATIONS NEWYORK · ADRESSE TELEGRAPHIQUE

*Noted
mm*

REFERENCE: TDS 213(1) Ctt. Invisibles
TDS 211(2) IBRD

24 October, 1966.

Dear Mr. Hoffman,

Thank you for your letter of October 18, 1966 with which you were good enough to enclose information concerning activities of the World Bank group in connection with shipping, ports and waterways, and tourism.

This material will be of considerable help to the Division for Invisibles in preparing the documentation referred to in my letter of September 7, 1966.

With many thanks.

Yours sincerely,

Sidney Dell

S.Dell, Director
New York Office of UNCTAD

Mr. Michael L. Hoffman
Associate Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington D.C. 20433.

RECEIVED
COMMUNICATIONS
1966 OCT 26 PM 9:59

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK

SUBJECT: [Illegible]

RE: [Illegible]

DATE: [Illegible]

TIME: [Illegible]

BY: [Illegible]

NEW YORK OFFICE OF [Illegible]
[Illegible]

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UNCTAD
x PEP - Shipping
x S - Int. Tourist Tr.

Your ref: TDS 213(1) Ott. Invisibles
TDS 211(2) IBRD

October 18, 1966

Dear Mr. Dell:

I am writing with reference to your letter of September 7, 1966 in which you sought information from the World Bank group of institutions in respect of recent decisions taken by the Committee on Shipping and the Committee on Invisibles and Financing related to Trade of the Trade and Development Board.

Enclosed you will find data relating to IBRD/IDA lending for shipping, ports and waterways as of June 30, 1966, as well as the port studies which have been conducted by the Bank. I am also attaching a note about the Bank Group's assistance to development finance companies for relending for tourist purposes.

Sincerely yours,

Michael L. Hoffman
Associate Director
Development Services Department

Mr. S. Dell,
Director
New York Office of UNCTAD
United Nations, New York

Attachment *Molt*

R Cleared with and copy to Mr. Lind
Mr. Baum

Copy to Mr. Consolo

LPerinbam/bmb

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1966 OCT 19 PM 2:00

Собы для Мр. Консоло

8

Мр. Бэн

Сделка между мной и собы для Мр. Гинг

Встреча

Wong

United Nations, New York
New York Office of UNCTAD
Director
Mr. S. Dutt

Representative General Secretary
United Nations
Mr. S. Dutt

Sincerely yours,

Representative General Secretary for representing for financial institutions.
as also representing a more from the bank group, a reference to
as the bank group's work have been completed by the bank. I
for representing bank and international as of June 30, 1966, as well
discussed with Mr. Ginn that date relating to UNCTAD/UNCTAD meeting

The meeting to discuss of the bank and representative bank.
Committee on financing and the Committee on infrastructure and finance
of international in context of recent developments taken by the
1966 in which has been the information from the World Bank Group
I am writing with reference to your letter of September 1,

Dear Mr. Dutt:

Yours truly,
S. Dutt (S) UNCTAD
Yours truly: S. Dutt (T) Gen. Infrastructure

October 19, 1966

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x 2- 2nd. 2000000000
x 600- 2000000000
1000000000

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING - SSM/A/66-48

DATED: October 13, 1966

TO:

FROM:

FILED UNDER: STUDIES - Commodities - Gen.

SUMMARY: Re: THE FORMATION OF AN INTERNATIONAL COMMODITY POLICY
Attached: a summary of an UNCTAD outline of a study on the above ~~SM~~
subject prepared in the Economic Dept. at Mr. Knapp's Request.

SecM66-331

FROM: The Secretary

October 13, 1966

REPORT ON THE FOURTH SESSION OF
THE U.N. TRADE AND DEVELOPMENT BOARD

The United Nations Trade and Development Board held its fourth session in Geneva from August 30 to September 25, 1966. Attached for information is a report on the proceedings prepared by the Bank's representative at the meeting.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Deputy Executive Vice President, IFC
Department Heads (Bank and IFC)

REPORT ON THE FOURTH SESSION OF THE U.N. TRADE AND DEVELOPMENT BOARD

I. INTRODUCTION

The Fourth Session of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) was held in Geneva from August 30 to September 25, 1966, with Mr. Jose Pinera, of Chile, presiding. With the return of Indonesia to the U.N., all 55 members of the Board participated in the meeting, together with 32 countries which sent observers; seven of the specialized agencies, 13 inter-governmental and nine non-governmental organizations were also represented.

II. REVIEW OF 1964 UNCTAD RECOMMENDATIONS

In introducing this item, the Secretary General of UNCTAD Dr. Raul Prebisch, expressed his disappointment with the achievements of the developing countries during the first half of the Development Decade, reviewed the statistics on growth rates, development assistance and trade, and outlined what he considered would be the major issues at the 1967 UNCTAD. A copy of Dr. Prebisch's statement is attached.

Most of the developing countries expressed disappointment with the slow progress in implementing the recommendations of the first Conference. Some of them attributed this to the lack of a universal readiness to act on the recommendations and the limited measures taken by the developed countries in this regard. The developed countries, while they agreed that much remained to be done to improve the lot of the developing countries and to speed their growth, contested the validity of some of the conclusions drawn from the statistical material contained in the Secretariat's Report. Many of the developed countries reported on the specific efforts made by their respective governments with regard to UNCTAD recommendations; they also suggested that, in several instances, the economic problems facing the developing countries were due, in large measure, to the lack of progress in their agricultural sector.

At the end of the Session, the developing countries presented a joint memorandum which declared that the recommendations of the first UNCTAD had not been implemented adequately. Furthermore, it called on the developed countries to take action, before the second Conference, to conclude international commodity arrangements on cocoa and sugar; observe a "standstill" on commercial policy measures adverse to developing countries; institute a scheme of general and non-discriminatory preferences; increase the flow of financial assistance to developing countries up to the 1% target; alleviate the debt burden by appropriate re-scheduling of debts; improve loan conditions; and cooperate on a practical scheme of supplementary finance.

The developed countries indicated that they shared the concern over the present situation in the developing countries and wished to contribute to its improvement. However, they could not subscribe to the memorandum because, in their view, it was not a balanced document and because they could not agree with the way in which its demands were

formulated. They thought that the differences separating the developing and the developed countries were not differences of basic objectives.

Since the Board was unable to reach agreement on the adoption of this memorandum, it was decided to attach it, as an annex, to the relevant chapter of the Board's Report.

III. COMMITTEE REPORTS

(i) The Board took note of the report of the Committee on Invisibles and Financing Related to Trade. Support was expressed for the concept of the proposed scheme on supplementary financial measures, but it was generally agreed that the scheme would require further study. Some delegates from developing countries expressed the view that the Bank staff's scheme might be a useful way to complement existing compensatory financing arrangements and commodity price stabilization schemes.

An Inter-Governmental Group of experts from 14 member countries of the Board (Argentina, Brazil, Ceylon, Federal Republic of Germany, France, Ghana, India, Japan, Poland, Sweden, UAR, UK, USA and Yugoslavia) was established to examine the Bank staff study on this subject. The first meeting of this Group is being held in Geneva, October 10 to 14, 1966.

The resolution on the volume of developmental aid (which was outstanding from the third Board meeting) was re-cast and now is based largely on the resolution on "Financing of Economic Development" adopted at the 41st Session of ECOSOC (see Annex II of SecM66-298).

(ii) The Board took note of the report of the Committee on Manufactures and approved the establishment of a joint UNCTAD/FAO Working Party to examine ways for expanding the export of timber and forest products, particularly to the developed countries. Similar working parties for other products may be established at a later date.

IV. TECHNICAL ASSISTANCE IN TRADE AND RELATED FIELDS

The developing countries favored UNCTAD providing technical assistance in trade and related fields, and some of them wished to include UNCTAD in the planning and project activities of the UNDP. Several of the developed countries, while agreeing that UNCTAD should provide technical assistance, stressed that duplication should be avoided. The need for institutional harmony and for a full integration of UNCTAD within the framework of the U.N. family was also stressed.

A resolution introduced by the developing countries, and unanimously approved, welcomed the Secretary General's statement, "that the Secretariat of UNCTAD is ready to play an effective role in technical assistance activities by providing substantial support to such activities

and not by adding further machinery to what exists." It invites the UNDP and the Secretary General of the U.N. to give due consideration to requests from the developing countries for technical assistance in the fields of export promotion and invisibles, including shipping, insurance and tourism; and includes a recommendation to the General Assembly "to provide that the Secretary General of UNCTAD shall be a member of the Inter-Agency Consultative Board of the UNDP."

V. U.N. COCOA CONFERENCE

A joint declaration was submitted by the developing countries pressing for an early agreement and expressing the hope that such an agreement will, among other things, include the pre-financing of the first buffer stock by international financial institutions or by the governments of developed countries. It was agreed that this document should be annexed to the Board's Report.

VI. TRADE EXPANSION, ECONOMIC COOPERATION AND INTEGRATION AMONG DEVELOPING COUNTRIES

A resolution introduced by the developing countries, and approved unanimously, noted that the reports on the above subjects submitted to the Board and prepared, respectively, by a group of experts and by the Secretariat itself, required further study. The Secretary General was requested, therefore, to transmit these reports to the international financial institutions concerned requesting them to study the suggestions made therein and to present their comments.

VII. PREPARATIONS FOR THE SECOND UNCTAD

Extended discussions were held on the agenda of the second Conference. The developing countries wanted a detailed agenda for a "negotiating conference" attended by high-level plenipotentiaries. The developed countries, on the other hand, doubted the practicability of holding a conference of this nature and pressed for a shorter agenda limited to a few substantive issues. After considerable negotiations in group meetings, a provisional agenda was agreed upon, to be reviewed at the Board's Fifth Session in May 1967. It includes the following:

- A review of developments and consideration of further action;
- Steps to achieve a greater measure of agreement on principles governing international trade relations;
- Trade relations among countries with different economic systems;
- Impact of regional economic groupings of the developed countries on international trade;
- Commodity problems and policies including techniques of commodity market stabilization;

- Measures for the expansion of exports of manufactures and semi-manufactures from developing countries, such as preferential or free entry to the developed countries;
- Development finance and aid including supplementary financial measures and compensatory financing;
- Problems of developing countries in regard to shipping, such as freight rates and consultation machinery in shipping;
- Economic integration among developing countries.

It will be noted that most of the items mentioned above appeared on the agenda of the first UNCTAD.

The Board agreed to recommend to the U.N. General Assembly that the Second Conference on Trade and Development be held in New Delhi during September-October 1967, the final dates to be determined by the Assembly in consultation with the host government.

Development Services Department
October 13, 1966



United Nations Conference on Trade and Development

TD

Distr.
GENERAL

TD/B/103/Rev.1
6 September 1966

ENGLISH/FRENCH/SPANISH
only

Original: SPANISH

TRADE AND DEVELOPMENT BOARD
Fourth session
Geneva, 30 August 1966

STATEMENT BY MR. RAUL PREBISCH, SECRETARY-GENERAL OF THE
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, AT THE
NINETY-THIRD PLENARY MEETING OF THE TRADE AND DEVELOPMENT
BOARD ON 31 AUGUST 1966

Mr. President, distinguished representatives and observers, and my good friend and colleague Philippe de Seynes.

I am most grateful to you, Mr. President, for calling upon me this morning to introduce the secretariat's first Review of the implementation of the recommendations of the First Conference. I do not think it desirable that I should take up the Board's time by commenting on the report. I would like rather to take this opportunity of saying a few words about past events and also to turn my mind towards the immediate future, namely, the preparations for the Second Conference on Trade and Development.

The figures presented in the report give no grounds for complacency. What we were pleased to call, with high hopes, the Development Decade, is taking on more and more the familiar look of illusions which are soon to be shattered. The average growth rate - 4 per cent - recorded by the developing countries during the 1960-1964 period is still very far from the 5 per cent minimum fixed as the target of the Development Decade. I believe that it is of the utmost importance to consider why this policy which had begun to take shape has not borne the fruit that was expected. To use the word policy is something of an over-statement, because I wonder, in view of developments, whether there really was a world development policy, whether there really ever was a series of properly interrelated measures reflecting the highly complex reality of a world in the process of development and at the same time taking into account the magnitude of the problems to be solved.

In saying this I do not mean to deny that a series of measures - many of them very sound and in part effective - have been taken; but they are far from providing a complete answer to an economic and social situation which is essentially different from that which had to be faced during the growth of capitalism by the countries which have now reached an advanced stage of economic development. The phenomena we are facing today are new both in kind and in degree, and it is useless to look for historical parallels. There are, of course, certain similarities; but the nature of the problems to be solved today in the economic and social development of the peripheral countries is fundamentally different from those which faced the great industrial countries as they evolved. These phenomena reflect, essentially, the complexity of the process whereby modern scientific and technological advances are making headway in the developing world. We are witnessing the transplantation of a highly sophisticated technology, which requires an extremely high capital investment per unit of manpower in order to save labour, into countries where manpower is relatively abundant but the capacity for capital formation is very low. This is creating the extremely serious problem of inability of the advanced sectors of the economy to absorb manpower productively. I have drawn attention to this problem on many occasions, and I believe that we must be prepared to see it get worse rather than better unless there is a fundamental change in policy.

While the developing countries are faced with this contradiction between modern technology and their ability to assimilate it, the problem of the dynamic weakness of the developing countries is aggravated by other consequences of technical progress: is not the rising growth rate of the population in the peripheral countries likewise a consequence of scientific and technical progress? At the same time, we find that during the last few decades this same modern technology as applied to the media of mass communication has been largely responsible for spreading throughout the third world social phenomena and consumption patterns typical of the advanced countries, in an attempt to imitate their way of life. Finally, when the developing countries try to speed up their rate of growth they find that, in addition to the internal obstacles to this process, their path is blocked by external obstacles as well, some of them similarly deriving from the adverse effect on the developing countries of scientific and technological progress in the advanced countries. I am referring to the well-known direct and indirect effects of scientific and technical progress on the demand for primary products.

These are the fundamental problems which will have to be faced in the coming years. I should like to comment on just one of the problems I mentioned a moment ago - the fact that the economies of the developing countries are insufficiently dynamic to absorb productively in the modern sector the growing increase in the available labour force. The proportion which is absorbed in the modern sector of the economy in general is only a fraction of the increase in the labour force. While the phenomenon of unemployment is not always very evident, what we do find is underemployment, or precarious employment, outside the modern sector of the economy; and this gives rise to growing economic and social tension. Moreover, in my opinion this tension is only in its infancy; we are witnessing the beginnings of a phenomenon liable to develop in a mushroom growth, which should be a matter of great concern here and now. In saying this I have in mind the future consequences of the inevitable technological revolution which the agriculture of the peripheral countries is bound to undergo. Representatives are doubtless fully aware of the growing seriousness of the problem of production of foodstuffs in the developing world. The Director-General of FAO, Dr. Sen, has just drawn urgent attention to the growing danger of famine in some parts of the world. In this connexion, it is worth mentioning that the United States has revised its policy in this respect and instead of continuing to restrict the abundant production of foodstuffs, has decided to expand production so as to be able to cope with the problem now arising and doubtless due to continue to arise until fundamental solutions are found - and this can only come about with the introduction of new techniques. But as these new techniques are applied to the agriculture and marketing procedures of the peripheral countries, the problem of redundant labour will tend to become more acute. There is no reason to believe that in this case there will not be a repetition of the past experience of countries which have gone through or are still going through this stage. I shall not generalize, however, and assume that what happened in the large countries will happen again. One cannot generalize, for a very simple reason - and here again the historical parallel breaks down - in the large industrial centres of the world, not excepting the USSR, the improvement of agricultural productivity by the application of advanced technology took place after those countries had acquired a solid industrial basis which enabled them to absorb the surplus labour without too much trouble. Yet we find that even this was insufficient, since agriculture had to have special protective measures because the speed at which the process took place was not as rapid as it would have had to be. The contrast with what is happening and will happen in the developing countries is noteworthy, because population growth and the inescapable

need to achieve a rapid improvement in agricultural productivity and the marketing of agricultural products in order to keep pace with this growth and the rising levels of living, are making their appearance in circumstances where industry and skilled services are not yet ready to absorb this surplus population. This will certainly aggravate the problem of the dynamic weakness of the peripheral economies in coping with the consequences of the introduction of modern technology.

I have drawn attention to this fact because the more I reflect on it, and the more I observe the phenomena occurring in the various parts of the third world, the more I become convinced of the vital necessity for tackling the problem boldly and trying to determine its magnitude in order to devise corrective measures and policies in keeping with its nature and scope. I do not believe, incidentally, that an enlightened demographic policy is going to be of decisive importance during the next twenty years. I do not doubt that sooner or later - and the sooner the better - the developing countries will have to face up boldly to the problem of the high rate of population growth, which is rising with such alarming speed that in a number of countries in Latin America today population growth has already reached the figure of $3\frac{1}{2}$ per cent per annum. There is no evading this problem. It is of course not merely a matter of economics. It is a grave mistake to regard population control as an alternative to investment. This is a social and moral problem with economic implications, and it requires extremely delicate handling. But even if this extremely important aspect of our present problems were resolutely tackled, we should not let ourselves be deluded into thinking that the effects of such a policy will make themselves felt within the next twenty years. The workers who are going to swell the labour forces of the developing countries during the next twenty years are already born. It is those who could come after that will be affected by a demographic policy. Hence the next twenty years will be the difficult period when an alarmingly inflated labour force will be seeking work in the modern sector of the economy. What can international co-operation do to help the developing countries to solve this grave problem? I would say, first of all, that although I attach very great importance to international co-operation, the main point is the responsibility of the developing countries. I shall have something to say on this point further on in my statement.

To meet this requirement it will be essential to step up the rate of growth of the economy - and hence the level of investment - to well beyond the very modest rate of 5 per cent laid down for the Development Decade. But I should like to deal with international co-operation by considering first of all its financial aspects. I hesitate to repeat what has been said recently so often. As you yourself said yesterday, Mr. President, as the Secretary-General of the United Nations said in what I would describe as very affecting words at the last meeting of ECOSOC, and as Mr. Woods, the President of the World Bank, has said time and time again: the flow of international financial resources from the developed countries to the developing countries remained stable from 1960 to 1964, whereas the revenues of the industrial countries increased at a very satisfactory rate. What does this mean? That whereas in 1961 we were approaching the target of the Development Decade - the transfer by the industrial countries of 1 per cent of their gross product to the developing countries - with a figure of 0.83 per cent by 1964, the proportion instead of improving had fallen to 0.65 per cent of the gross product of the industrial countries. In 1965, it is gratifying to note that there was some improvement - the volume of resources which the industrial countries transferred to the developing countries increased and the figure rose to 0.69 per cent - but this is still very far from the target of 1 per cent. I should make it clear, however, that owing to certain differences in the method of calculating the figures, the United Nations estimates do not always coincide with those of other bodies. I think an effort should be made to reach an agreement on method in this matter. What is certain, however, is that whatever the source of the information, the inadequacy of the resources is manifest. Indeed, the President of the World Bank has made it quite clear that the effect of such recent transfers of international financial resources is being largely cancelled out by the growing burden of financial charges payable by the developing countries to the developed countries for international resources previously invested in the developing countries. According to the calculations of the World Bank, the figure amounts to 50 per cent of all new resources transferred by the developed countries to the developing countries. It need not come as a surprise, therefore, to note another vital point as a symptom of the present situation - a point, incidentally, which we stress in our report: there is no better pointer to the result of all these financial operations than the volume which the developing countries can import over

and above the level allowed their exports, in other words the net result of a policy of international financial co-operation. The figures before me indicate that in 1958 the peripheral countries were able to import \$2,900 million over what they exported - and this is a measure of the effectiveness of the financial co-operation policy at the time. By 1961, the figure had risen to \$3,100 million, only to decline steadily in subsequent years, so much so that in 1964 the corresponding figure was \$500 million and in 1965 \$400 million. Furthermore, the conditions on which financial assistance was granted have not improved - in fact they have deteriorated in certain respects, as in the case of medium-term assistance, and more recently of interest rates. Furthermore, there is still in existence, for understandable reasons so long as international monetary machinery fails to function effectively, the policy of loans tied to the purchase of capital goods in the countries granting the loans. We know that, generally speaking, this policy means that the developing countries are required to pay prices which are sometimes appreciably higher than the world market prices.

All this points to one reason, but by no means the only reason, why the growth target of 5 per cent has not been achieved. This is why an item on financing, which is of obvious concern to the developing countries, has been included in the provisional agenda submitted by the secretariat. The question of supplementary financing has also been included. I have on a number of previous occasions stated that I regard the report submitted by the International Bank for Reconstruction and Development as a highly constructive document, since it attempts to dispose of one of the most important aspects of the problem of external stability by providing supplementary resources to countries which have based their development plans on certain assumptions that their exports would expand, only to find that an unexpected decline in exports prevents them from implementing their plans as envisaged. This, in my opinion, is a matter of considerable importance.

In a moment I shall mention another point, namely, that of financing buffer stocks, when I come to refer briefly to the problem of primary products. In the

meantime let me turn to the subject of trade, where again the report shows that little progress has been made since the first conference on many of the questions raised then in that field. The present situation is certainly different from that of three years ago, inasmuch as there is a better understanding of the problems, and there are forces in motion calculated to bring about a solution. Nevertheless, obstacles have been encountered that have still to be overcome. As regards primary commodities, the First Conference recognized the need to ensure that imports from the developing countries constituted a share of the increase in consumption of the industrial countries. One of the basic reasons for the failure of the Sugar Conference was precisely that it did not prove possible to implement that recommendation, for understandable reasons. The same problem did not arise in regard to the other primary commodity on which it was hoped to conclude an agreement, namely cocoa - a case which you, Mr. President, are quite familiar with, since you and Ambassador Amjad Ali were kind enough to agree to take the Chair at a series of meetings on this subject. However, no agreement has as yet been reached on cocoa, although all these meetings have led to the establishment of very sound bases, economically and financially speaking, as regards price stabilization and market control for cocoa. There were two main difficulties: price, and the lack of funds to cover the accumulation of buffer stocks in bumper harvest years that could be released on the market in lean years. The cocoa-producing countries reached agreement with the consumer countries to build up a fund, by means of contributions, geared to the respective volume of cocoa exports, for financing these regulating operations; but such a fund would take four, five or perhaps six years to build up, and consequently prior financing would be required. The difficulty is that the international financial agencies are not prepared under their statutes or because of their policies to deal with this problem. This is a basic weakness in the international financial machinery, which existed even before Bretton Woods, and still persists; hence I believe that under the relevant heading particular attention should be devoted to a discussion on the financing of buffer stocks, with due regard to appropriate measures

for joint international and national action to correct this basic weakness. In combination with the scheme for supplementary financing, this might provide the developing countries with the solution they have long sought to the problem of their external instability, which together with the slow growth of their primary exports constitutes one of the most serious obstacles to the achievement of a higher economic growth rate.

But as has been stated time and time again, even if all these aims are achieved, it will not solve once and for all the problem of the vast needs of the developing countries in the way of imports of capital equipment and intermediate and consumer goods. Exports of primary commodities alone, whatever their volume and regularity (and there are strict limits in this respect, apart from one or two exceptionally favoured products), and however sound the policy pursued in this direction, cannot solve the problem of the trade gap of those countries. Hence the inescapable need to continue stressing the importance of exports of manufactures from the developing countries. The idea of preferences, which won the support of very influential countries at the First Conference, has been the subject of a series of discussions, and I believe that from the intellectual standpoint distinct progress has been made. It has been recognized, for example, that even if the Kennedy Round is highly successful - and we hope it will be - and there is a considerable reduction in the level of customs tariffs of the major industrial countries, that would be no reason for not applying a policy calculated to abolish the remaining duties as far as the developing countries are concerned - in other words, a policy that would put the exports of those countries on an equal footing with the products of the industrial countries themselves.

While I am on the subject of the progress made from the intellectual standpoint, I must mention two arguments put forward on the question of a preference system for the developing countries. They are two serious arguments, or rather a single argument with two aspects: that preferences would militate against the most-favoured-nation clause and against multilateral world trade. It seems to me that one of the

great achievements of the past in the trade field has in fact been the recognition of the need to ensure a steady flow of world trade and to stimulate it by applying the most-favoured-nation clause and promoting the principle of multilateralism. During the Great Depression the world witnessed the foundering of these two principles. But since then the industrial countries have succeeded in bringing them back into operation on a new basis, although notorious defects in the international monetary system have hampered this process. There is now a definite feeling that these defects must be remedied, and also, from another angle, the trade of all countries must be incorporated into the world trade system, including both the developing and the developed countries. There is no doubt that progress has likewise been made in regard to the realization of the economic and political need to solve this problem. But I cannot help wondering whether in fact a satisfactory formula has been found as regards the seventy-seven developing countries. If the existing situation continues, with the developing countries' share in world trade steadily declining and shrinking, how are we to secure for the developing countries, in their relations with the developed countries, the application of the most-favoured-nation clause and the principle of multilateralism in trade? In the thirties, world trade drifted into bilateralism, not through ideological conviction, but because there was a serious shrinkage of trade. But even if this had not been the case, what meaning could a multilateral system and the most-favoured-nation clause have for the developing countries if as a result of the slow growth of their exports they are forced to pursue a policy of import substitution, in separate watertight compartments, as they have done since the thirties, with all the drawbacks that offset the advantages of such a policy? The result would be the perpetuation of two worlds, a developed world with close and prosperous economic interrelations, and a developing world broken up into a large number of autonomous units, with an inadequate foreign trade, and an industrialization programme largely undermined by such compartmentalization.

Not only that, but the most-favoured-nation clause and the principle of multilateralism in trade are in serious jeopardy at this very moment - and here I refer not to the developing countries alone but to the relations between certain developed countries or groups of countries and some developing countries. It is unfortunate, I feel, that we are in the habit of using the term preference policy in reference to two entirely different systems. The first is the attempt to obtain for all the developing countries a system of preferences in all the industrial countries without discrimination of any kind. The second is the concept of preferences whereby certain industrial countries take steps to obtain preference for their exports at the expense of other industrial countries, and at the same time grant preferential treatment to certain developing countries at the expense of other developing countries. So long as we continue to refer to both these entirely different systems as preferential systems, we are bound to run into confusion. The second type of preference system is essentially different from the first, and if it continues to expand, it will lead the world to a system of sectional or vertical preferences that will inevitably take us further and further away from the principle of the most-favoured-nation clause and the principle of multilateral trade. On the other hand general, non-discriminatory preferences granted to all the developing countries by all the industrial countries, in conjunction with other arrangements that the developing countries must make among themselves, will permit the latter to increase their productivity with the expansion of their markets and enable them as time goes on to participate, as developing countries, in a world policy to liberalize trade; and their participation in multilateralism and the application of the most-favoured-nation clause will thus be based on solid ground.

I must state frankly that I am greatly concerned over what is happening in this field, where my forebodings of over a year ago, which were greeted somewhat sceptically in some quarters, are now being fulfilled. I said that certain vertical preference systems would promote other similar systems in the world; and there are clear signs that this is the path we have embarked on. It is a dangerous path, and we should pause to reflect on the need to face this problem courageously and with a clear vision of the type of international economic world we want to establish.

What should be our aims? Or are we to go on improvising, taking piecemeal measures which, when viewed as a whole, suggest that we have gone far to distort a process that could have been established on bases highly satisfactory to all concerned? I referred earlier on to the need to incorporate the trade of the socialist countries in the world trade framework, and I do not believe that this would in any way conflict with the application of the principle of multilateralism. In that connexion I would like to mention two statements made by the distinguished representative of the USSR, Mr. Patolichev, the Minister for Foreign Trade, on different occasions during the First Conference.^{1/} I should like to say, by the way, that I had the pleasure a few days ago of visiting Mr. Patolichev in Moscow, in response to his kind invitation, and discussing with him problems relating to the Second Conference.

^{1/} "Developing bilateral trade and economic relations with other countries we at the same time do not exclude multilateral agreements when they are considered economically expedient for all partners in trade. The opportunities for the realization of the multilateral forms of trade and payment relations with other countries will grow alongside with the process of further normalization and expansion of international trade".

"In this connexion, we express our readiness to continue the practice of mutually acceptable forms of trade which involve no currency difficulties for the developing countries, including trade on a multilateral basis. The general normalization of world trade and, in particular, the increase in the number of countries with which we have normal trade relations, can greatly facilitate the above-mentioned broad expansion of our trade relations with the developing countries".

Source: Statements made by Mr. N.S. Patolichev (USSR) on 26 March 1964 and 13 June 1964, respectively. (United Nations Publication, Sales No.64.II.B.12, pp.387 and 536).

On the two occasions referred to, Mr. Patolichev stated that the USSR was prepared to consider the multilateral expansion of its trade, with special reference to the developing countries, subject to the normalization of world trade and the increase in the number of countries participating - and as a corollary, the number of products involved. Indeed, the larger the number of countries with which trade is conducted, and the broader the range of products, the less difficult it will be to operate a system of multilateral compensation of trade balances; in other words, the easier it will be to take the right path towards the great goal of multilateral trade throughout the world.

Before leaving this question of preferences, I would like to say that the UNCTAD secretariat has devoted special attention to one particular point. The situation of the developing countries varies widely; there is one group of countries that could take immediate advantage of a system of preferences to promote their industrial exports; on the other hand a good many relatively less developed countries within the third world would not be similarly in a position to do so. In establishing a preference policy, special attention must be given to this point to ensure that all countries can participate. This will require, in the case of the relatively less developed countries, a vigorous policy of establishing industries to enable their exports to compete on the world market. In all these matters I believe that the United Nations has before it a very broad field of action. The United Nations has already given technical assistance for export promotion, though on a limited scale. I believe that the best preference policy in the world could fail if it were not backed up by a vigorous export promotion policy, and here international co-operation will be needed in both the technical and the financial field in order to ensure the establishment and expansion of export industries, with special reference to the countries whose industrial development is in the embryo stage.

This is the essential significance of the document that the secretariat has submitted to the Governments members of the Board, with a view to interesting them in the idea of our taking an active part in technical assistance activities, not by adding further machinery to what already exists, but by making full use of the existing channels for the provision of technical assistance, both in export promotion and market analysis, and in the training of technicians from the developing countries.

While we in the Secretariat were discussing these problems among ourselves, I was gratified, as may be imagined, to see that Mr. Paul Hoffmann, the Administrator of the United Nations Development Programme, had spontaneously remarked at the recent conference at Milan that he intended to support with the resources of his organization such steps as UNCTAD might take to promote exports. With this support from the United Nations Development Programme, I believe we could do an effective job, especially in view of the fact that the United Nations is in a particularly favourable position to take action in this field for two fundamental reasons: in the first place export promotion cannot be carried out in a vacuum, with exports as such as the only concern; the development of exports must be related to a country's industrial capacity. And this being so, it is very important that UNCTAD and UNOID have begun to work together in this sphere. Moreover, the Economic and Social Council, together with the regional economic commissions, which are in the field, should also participate in this collective operation by the United Nations Secretariat. Thus we have available a series of unparalleled devices for making our work effective and devoting particular attention to the major task of aiding those countries which are taking the first steps in the process of industrialization - in respect both of that process itself and of the opportunities offered them to begin exporting from the very beginning of the industrialization process.

I should now like to refer to the obverse of this same medal. The First Conference has been persistently criticized as having discussed measures required of the great industrial countries, whatever their economic and social system, to promote speedier development in the peripheral countries, without discussing what should be done by the developing countries themselves in the way of measures towards achieving these objectives. In the report I had the honour to submit to Governments before the Conference there is a chapter on these convergent measures, but perhaps for practical reasons, since the Conference would have been extremely long drawn out, there was nothing on the agenda to direct discussion towards that topic. But now that we are studying the agenda, selectively I hope, perhaps the time has come to supplement the study of measures required of the great countries with measures which

the developing countries should take to achieve the objectives of universal concern. What we are seeking, surely, is a structural change in the international economy which will enable the developing countries to export more in order to import more. Let us not forget, however, that the tremendous effort which the developing countries must make to assimilate modern technology cannot be achieved effectively unless these countries, in turn, introduce basic reforms in their economic and social structure. The whole problem of the slow pace of world food production to which I referred earlier on is not merely a problem of lack of technology. In many of the developing countries the problem is the obsolete system of land tenure; and unless it is dealt with forcefully through land reform, technological progress will meet with obstacles that will in many instances prove insurmountable.

Again, can it be said that the present social structure in many of the developing countries is conducive to the assimilation of technology? So long as serious obstacles continue to obstruct social mobility and prevent men of dynamic force from moving up from the bottom to positions of responsibility in the economic life of a country and in its activities generally, we cannot hope for any spectacular achievement in assimilating modern technology and solving the problems to which it gives rise. Is the social purpose of development likely to be achieved while outmoded forms of privilege in income distribution prevail which put no premium on efficiency and are not really conducive to the participation of all members of the nation in the productive process? And as a corollary to this question, will we be able to marshal the resources of the developing countries to the extent required without tackling these problems at the root? Education is a powerful element in social mobility and the rise of capable men to the top. Yet education unaccompanied by a higher growth rate will merely serve to aggravate still further the tension that must arise when the dynamic elements whose wits are sharpened by education and who have been trained for a part in the life of their country are faced with a sluggish rate of development that prevents the full use of their energies in its economic life, thus creating dangerous social and political tensions.

Lastly, in whatever direction we look, we find that side by side with international co-operation there must be a readiness on the part of developing countries themselves to take a series of sweeping measures, broad and far-reaching, if the world is to achieve an effective development policy. But let us guard against the simple slogan that "if the developing countries act first we will then consider the advisability and the feasibility of international co-operation measures". I must speak quite frankly on this point. I believe that the world needs convergent, simultaneous and properly concerted measures. All these structural reforms - land reform, reforms conducive to the marshalling of financial and human resources, the campaign against inflation, the deadly poison of inflation which is causing such havoc in a number of developing countries - will be much more difficult to carry out if the economy continues to develop at a sluggish pace. The task will be considerably easier if income growth rates can be raised not merely to 5 per cent, but perhaps to 6, 7 or 8 per cent. A high development rate will make it easier for the developing countries to take the domestic measures required.

While I am on the subject I must mention another essential structural reform, namely the need for vigorous action to increase trade among developing countries by means of regional and sub-regional groupings and through measures to bring the different developing regions closer to one another from a trade standpoint. From my own observation of what has happened in Latin America I know how difficult it is to move forward in this area. We ask the developed countries to lower their customs barriers, but when we come together to discuss the problem among ourselves we are faced with the same obstacles and objections as in the developed countries; and a determined effort must be made to overcome them, because industrialization in the peripheral countries cannot expand if their markets remain small. This is an established fact; but in practice we come up against enormous difficulties, though these can be considerably lessened provided the economy, with stimulus from abroad, develops at a more rapid rate. That is why I believe that the measures must be simultaneous, convergent and properly concerted. I think, Mr. President, that I am reflecting the words you spoke yesterday, referring to the need to combine measures in the two groups of countries - the developed and the developing; and it seems to me that a climate is being created which is conducive to consideration of these problems in this form. Speaking at the third session of the Board, the distinguished representative of Switzerland spoke of the need for synchronized action and convergent measures by both sides. I recall too

that concern on the same point was expressed by Mr. Bot, the distinguished Minister responsible for development aid in the Netherlands, in a striking statement he made in the Second Committee of the Assembly last year. He said that though he had found development in the present Decade to be illusory "if we move rapidly we may use the last years of this Decade to prepare a new development strategy"; and that "our development strategy has proved unequal to its admittedly gigantic task".^{1/}

I believe that we ought to examine the possibility of formulating policy for economic development in which, as I said before, the measures to be taken by the industrialized countries and those to be taken by the developing countries will converge. I am not speaking merely of a statement of objectives, but also of the need for progressive quantification of those objectives both in the financial and in the trade sphere. It is remarkable how much knowledge the world has been accumulating on this subject. Consideration of this problem leads by the sheer force of logic to the need to quantify, to establish the size of the objectives to be pursued and the extent of the resources required, both financial and in trade, to attain those objectives. My colleague Philippe de Seynes had the felicitous notion of convening for the first time a seminar of planning experts at which, in addition to the consideration of problems at the national level, the possibility was examined of progressively quantifying the objectives of certain planning measures in the international field. I think that enough experience has been gained to enable us to move with a certain freedom in this direction. We see, for example, that FAO has had the vision to undertake an outline plan for agricultural production, which seems to me of the highest importance as calculated to give some idea of the magnitude of the problem which will confront the world and suggest a suitable policy for meeting it. I therefore feel that the time may have come to gather together our scattered forces and consider seriously the possibility of framing an over-all development policy at the national and international level with the consensus of the Governments concerned. I say this because when a few months ago the World Bank submitted its scheme for supplementary financing, some very important questions were raised which were outside the scope of the strictly technical scope of the report. I remember that the delegations of various developing countries questioned me about this. They said I had pointed out -

^{1/} "Our development strategy has proved unequal to its admittedly gigantic task. If we move rapidly we may use the last years of this decade to prepare a new development strategy for 1970. That strategy, however, must no longer be founded upon the world's division into blocs but rather upon the indissoluble unity of peace, security and development for all. That strategy will require improved programmes and a more detailed picture of the potential of the world as a whole as well as of the resources of specific areas. Lastly, that strategy will require a frank evaluation of mutual policies, plans and programmes. We shall thereby reinforce the peace-keeping capacity of this Organization. War and development cannot co-exist. The only struggle that we should permit ourselves and others to wage is that against poverty and destitution. That, at least, is the only kind of war which the younger generation of my country is ready to wage."

(Statement made by Mr. Th. H. Bot (Netherlands) at the 969th meeting of the Second Committee of the General Assembly on 22 October 1965)

as I did in my opening statement - that supplementary financing was based on the idea of planning. A plan is the reflection, the translation into concrete measures, of an economic and social development policy. If in order to obtain the necessary basic or supplementary financing for the fulfilment of a plan a country's economic and financial policy had to be subjected to a process of evaluation, did not that amount to poaching on the country's inalienable preserves? The political importance of the question thus raised is perfectly clear. But what is the answer? The national counterparts of a world economic development policy will of course be formulated by the industrialized and developing countries themselves, reaching agreement in international bodies on the broad outlines of policies for economic and social development and for international economic co-operation. Such a thing can only be done by consensus. Once such a consensus has been reached, a number of criteria and guiding principles will be available for assessing the validity of economic plans; moreover, as I have said more than once, I think that all this is going to make us take a new look at the suggestion that before being submitted to lending agencies, plans should be evaluated by an impartial group of international experts who would assess them both from the standpoint of the targets laid down by the country concerned and from the standpoint of objectives agreed upon at the international level by both groups of countries.

Perhaps it may be suggested that I am thinking in terms of long-range solutions which are out of the picture in considering pressing current problems. All too often it happens when awkward practical problems have to be faced that a more general solution is sought which diverts attention from discussing the immediate issue. That is not what I am doing at the moment. It seems to me that a clear recognition and appreciation of the need to formulate a policy on the scale I have outlined is no reason whatever for failing to press on with the search for the means of achieving fruitful negotiations at the next Conference. In my opinion the Second Conference must be essentially a negotiating conference, and sufficient progress has already been made in respect of certain problems to make this possible. I also believe that, if we advance along the lines I have suggested, it will be possible to start negotiating the basic essentials of a policy of development and international co-operation.

At the same time we have to ask the question whether there is not some inconsistency between the limited results we have achieved so far - as revealed in our report, though perhaps there has not yet been enough time - and what we would like to see achieved in a very much wider sphere. Well, I for one am not discouraged: the somewhat negative findings of the report convince me rather of the necessity to redouble our efforts at persuasion, to work with the people in the industrialized countries - inside and outside Governments, in the universities, the political parties, the religious movements, the trade unions - who are convinced of the urgent need for far-reaching solutions to these problems. This need is manifest, and becomes every day more manifest, as is also the fact that in all this evolution of opinion that is taking place in the great industrialized countries, it is not economic considerations or economic concerns that are the determining factor; and here again we have clear evidence of the tremendous impact of technical development. Historically, the prosperity of many of the world's industrial centres has been greatly dependent on large-scale transfers of revenue from countries on the periphery of world economy as a result of the political and economic domination to which the latter were subjected. Today, with the enormous advance of technology, none of the major countries depends for its prosperity on the repetition of this historical experience. The major countries have acquired a prodigious capacity for expanding their income which has placed them for the first time in the unique position where they can carry on their economic development without recourse to the transfer of resources from abroad. I am not saying that economic factors are not important; we see every day that they are. There is no doubt that a policy of expanding trade is in the interests of both developing and developed countries. But the nature of the problem today has changed. Hence the importance of mobilizing opinion in the industrialized countries - and in the developing countries, too, as far as the reform of their own economic structures is concerned - with a view to formulating such a policy and applying it effectively. In all this, there is something that stands above mere economic considerations. Yesterday, Mr. President, you referred to the adventure of development: I would call it the profoundly human adventure of development, the adventure of exploiting the vast potentialities of modern techniques, of scientific and technological advances, to transform utterly the face of this developing world - still for the most part a world of

poverty, disease and illiteracy. This is the human side of what we are seeking to do, and on this side, apart from secondary questions of economic interest, there are motives of far more fundamental import, eminently human, political and moral motives - the response to the mighty challenge confronting the world today. That is why I believe that institutions such as UNCTAD and the other international organizations working under the auspices of the United Nations have a vital role to play. I am not discouraged, even though here and there hitches or difficulties have arisen, because I am profoundly convinced that the world is in need of a radical change, not on account of the economic concerns of the industrialized countries, but on account of economic, social and political considerations affecting the developing countries; and because the large industrial countries, despite their great technological achievements, have not found, and are not likely to find, any way of immunizing themselves against what is happening and what is going to happen in the developing world unless there is a momentous policy of international co-operation built up on solid foundations.

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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REMARKS

Mr. Dubey and myself have talked over the phone to Mr. Toren (and Mr. Erb, of Toren's office) and relayed our comments on the figures appearing in Chapter VI of UNCTAD Supplementation Report. Although late for the report, they appreciated our call.

From

Paolo Leon

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Oct. 26, 1966

NAME

ROOM NO.

~~Mr. Kammack~~

800

Mr. Leon

(Please call

Mr. Toren in UNCTAD in
N.Y. to see whether this is

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

insufficient use to them - it's probably too late
UNCTAD Implementation Report
any

Would you like us to do
something about this (such
as writing to the proper people)?

From

P. Leon

FORM No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Oct. 6 / 66

NAME

ROOM NO.

Mr. Leon

Mr. Dubey

please

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Could you have someone
look into this in relation
to the Bank's latest annual
report, in view of Mr. Kamarch's
comment?

From

S. Kalmanoff

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP		Date <i>Oct. 3/66</i>	
NAME		ROOM NO.	
MR. KAMARUK			
MR. KALMANOFF			
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
☒	Information		Signature
	Initial		Send On
REMARKS			
<i>I note that some of the figures do not take advantage of the latest data from the Bank report. I suppose it's too late to correct them - in view of the lateness of this getting to us.</i> <i>Amle</i>			
From <i>L</i> Lewis Perinbam			

VDubey:yd

October 12, 1966

Comments on
Draft Chapter of UNCTAD Implementation Report

As requested I have looked at figures used in the final draft of the chapter on Financing for Trade and Development the UNCTAD Implementation report. Some of the figures used could be corrected in the light of the Bank's latest annual report; at other places advantage may be taken of figures given in the Bank's annual report to add to the factual information given. Examples follow:

1. The figures for net outflow of long-term capital and official donations used in Table VI-I of the draft are from the UN source International Flow of Long Term Capital and Official Donations 1961-1965, and do not agree with the DAC figures used in the Bank's annual report. The discrepancies are as follows:

	<u>Millions of Dollars</u>				
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
1. UN Figures (Draft Chapter)	8276	7699	7522	7949	-
2. Bank Figures (Annual Report)	9190	8528	8598	9144	10194
3. Discrepancy (2-1)	814	829	1076	1195	

The country composition of the two sets of figures is not the same. The UN includes among donors Iceland, Ireland, Luxembourg, New Zealand, South Africa and Switzerland not included in the Bank tabulation; the Bank includes Austria, Kuwait and Norway not included in the UN tabulation. However, this does not help explain the discrepancy.

Austria, Kuwait and Norway contributed \$77 million to the Bank figure for 1961, \$24 million in 1962, \$152 million in 1963, and \$151 million in 1964. If their contribution is excluded, the Bank figures still remain substantially higher than the UN figures, even though the latter includes data for six additional countries. Another explanation is that the UN list of recipient countries is different from that of the Bank report. The latter includes Cyprus, Gibraltar, Greece, Malta, Spain and Turkey which are not included in the UN figures. However, the chief explanation for the discrepancy appears to be differences in definitions. Private trade credits (629 million dollars in 1962, 552 million dollars in 1963, 881 million dollars in 1964 and 741 million dollars in 1965) are excluded from the UN figures but included in the DAC data used by the Bank report.

2. In para 24 of the draft it is stated that the net disbursements from international financial institutions increased by \$100 million annually from 1962 through 1965. In fact net disbursements increased by ^{940 - incl. UN} \$190 million dollars between 1964 and 1965, from \$790 million in 1964 to \$980 million in 1965. (Annual Report, 1965-66, ^{EDF} ^{IDA} ^{IDB} ^{IFC} ^{UN Agencies} p. 39). ¹⁰⁶⁷

3. In para 29, the figures for outstanding public and publicly guaranteed indebtedness with a maturity of 1 year or more could be revised, \$10 billion (instead of \$9 billion) for 1955, and \$29 billion (instead of \$28 billion) for 1963, and \$36.4 billion at the end of

1965. The Bank estimate for annual debt servicing for developing countries now is \$3.3 billion (not \$3.5 billion) for 1964, and \$3.5 billion for 1965. Total debt service absorbed 9.2% of the export earnings of developing countries in 1964 and not 12%. The figure for 1965 is 9%.

4. In para 32 while discussing the favourable trend in the terms of assistance it may be mentioned that this trend was halted in 1965. The weighted average of interest rates on loan commitments from DAC members increased from 3.0% in 1964 to 3.6% in 1965, while the weighted average of maturities declined from 28.3 years in 1964 to 22.1 years over the same period.

5. The information on private capital flows, given in para 48 is based on Table VI-I discussed above. It does not agree with the DAC information which gives higher figures than the UN study quoted earlier.

6. The discussion of suppliers credits in para 50 may indicate that the Bank estimates that such credits result in a gross flow of \$4 billion a year to the developing countries, and that export credits account for roughly a quarter of the total outstanding debt of developing countries (Annual report 1965-66, p. 34).

7. The reference to the Convention on Settlement of Investment Disputes in para 52 may be updated.

V. Dubey

TD/B-82
Add. 1 to 3

DAC
2.3
B billion

UNCTAD
x 2 - Ford Found.

October 11, 1966

Dr. D. U. Stikker
c/o Mr. Shepard Stone
Ford Foundation
477 Madison Avenue
New York, New York 10021

Dear Dr. Stikker:

I am not at all unhappy that you have decided to make a formal arrangement with Mr. Norris O. Johnson. If it works out, I hope you will encourage him to pay us a visit. If it doesn't, please let me know promptly and we will be glad to do some more homework on your behalf.

I am encouraged by some of the comments you made during your recent discussion with Mr. Woods to draw your attention to two recent articles of mine dealing with some aspects of the problems you will be concerned with in preparing your report for Mr. Prebisch. In my own view, the one on UNCTAD and the Businessman is particularly relevant. I have been told that Mr. Prebisch is familiar with it.

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

Enclosures - 2

MLHoffman/pnn

cc: Mr. Woods

refers to letter
of 10/4/66

ack. 10-25-66

IDA	IBRD	IFC
FORM NO. 92 (10-61)		
CORRESPONDENCE RECORD FORM		
FROM Raul Prebisch United Nations Conference on Trade and Development Geneva, Switzerland		DATED Nov. 14, 1966
SUBJECT Letter enclosing report dealing with trade expansion, economic co-operation and integration among developing countries (Resolution of 4th Session). Addressed and		
REFERRED TO Mr. Woods		DATE RECEIVED Nov. 17, 1966 jgv

ack. 11-21-66

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENTCONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

A handwritten signature in blue ink, likely belonging to D.U. Stikker.

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

7 November 1966

REF. No. :

Dear Mr. Hoffman,

Thank you very much for your letter of November 1st. I am looking forward to see Mr. Woods again on November 23, at 11:30, and at this occasion I would like especially to discuss with him the possibilities which might exist for co-ordinating efforts by Governments, official aid, and private enterprise assistance. The Fertilizer Project in India might be a good example.

Hoping to meet you at another occasion,

Yours sincerely,

A handwritten signature in blue ink, likely belonging to D.U. Stikker.

D.U. Stikker

*Woods office
notified 11/15*

Mr. Michael L. Hoffman,
Associate Director,
Development Services Department,
I.B.R.D.,
1818 H Street, N.W.,
Washington D.C.,
U.S.A.

P.S. Any reply to be addressed to Menaggio, Italy.

P.S. and reply to be addressed to MEMBERS, ITALY.

NOV 15 AM 8:51

P.S.V.
WASHINGTON D.C.
1818 H Street, N.W.
I.B.B.D.
Development Services Department
Associate Director
Mr. Michael I. Hoffman

Handwritten notes:
11/12
4/1/82

D.P. STECKER

Yours sincerely,

Hoping to meet you at another occasion.

The Beltritter Project in India might be a good example of Government, official and private enterprise assistance. With the possibilities which might exist for co-ordinating efforts and at this occasion I would like especially to discuss with you. Looking forward to see Mr. Moore again on November 23, at 11:30.
Thank you very much for your letter of November 1. I am

Dear Mr. Hoffman,

REF. NO.:

Telephone: 342011 334000 335000 331000

Telex: 33313 ON 33344

Telegrams: UNATIONS, GENEVE

2 novembre 1966

CH - 1511 GENEVE 10

Palais des Nations

Handwritten signature

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



CONFERENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DEVELOPPEMENT

Handwritten text: UNCTAD

File - UNCTAD

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

REF. N° : TDO 210

Palais des Nations

1211 GENÈVE 10

10 October 1966

Dear Mr. Woods,

..... I have pleasure in enclosing, for your information, a copy of document TD/B/INF/6, which reproduces the calendar of meetings for the period between the fourth session of the Board and the second session of the Conference, as adopted by the Trade and Development Board at its 114th meeting on 23 September 1966.

Separate notifications of the opening date of each meeting listed will be dispatched in due course.

Yours sincerely,

Raúl Prebisch
for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
USA

RECEIVED
GENERAL SECRETARIAT
COMMUNICATIONS

USV
Washington, D.C. 20533
1818 H Street, N.W.
International Development Association
President
Mr. G.D. Moode

1966 OCT 18 PM 12:40

Secretary-General
for Haiti
Berthoin

Yours sincerely,

will be dispatched in due course.

Separate notifications of the opening date of each meeting listed
11th meeting on 23 September 1966.
the Conference, as adopted by the Trade and Development Board at its
period between the fourth session of the Board and the second session of
document TD/B/INE/e, which reproduces the calendar of meetings for the

..... I have pleasure in enclosing, for your information, a copy of
Dear Mr. Moode,

7/4/30

REF. No: LDO STO

10 October 1966

Telephone: 34 00 11 33 40 00 33 50 00 33 10 00

Telex: 33 313 on 33 344

Telegrams: UNATIONS GENEVE

1311 GENEVE 10
Palais des Nations

DEVELOPMENT
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DEVELOPEMENT
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

470-UNCLVD

UNCTAD

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

REF. N° : TDO 210

Palais des Nations

1211 GENÈVE 10

10 October 1966

Dear Mr. Woods,

..... I have pleasure in enclosing, for your information, a copy of document TD/B/INF/6, which reproduces the calendar of meetings for the period between the fourth session of the Board and the second session of the Conference, as adopted by the Trade and Development Board at its 114th meeting on 23 September 1966.

Separate notifications of the opening date of each meeting listed will be dispatched in due course.

Yours sincerely,


for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington 20433, D.C.
USA

1966 OCT 18 15:51

COMMUNICATIONS
1966 OCT 18 PM 12:41

USV
Washington 20533, D.C.
1818 H Street, N.W.
International Finance Corporation
President
Mr. C.D. Woods

Secretary-General
for Haiti Republic
[Signature]
Yours sincerely,

will be dispatched in due course.
Separate notifications of the opening date of each meeting listed
11th meeting on 23 September 1966.
the Conference, as adopted by the Trade and Development Board at its
period between the fourth session of the Board and the second session of
document TD/B/INE/e, which reproduces the calendar of meetings for the
..... I have pleasure in enclosing, for your information, a copy of
Dear Mr. Woods,

REF No: LDO STO
Telephone: 34 00 11 33 40 00 33 50 00 33 10 00
Telex: 33 313 on 33 344
Telegrams: UNATIONS, GENEVE

10 October 1966
1211 GENEVE 10
Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND
UNITED NATIONS



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CONFERENCE SUR LE COMMERCE
NATIONS UNIES

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OCT 18 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 210

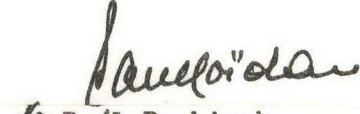
10 October 1966

Dear Mr. Woods,

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Separate notifications of the opening date of each meeting listed will be dispatched in due course.

Yours sincerely,


for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
USA

1966 OCT 18 6:15:41
CONFIDENTIAL

USV
Washington, D.C. 20533
JSTG H Street, N.W.
and Development
International Bank for Reconstruction
President
Mr. G.D. Woods

RECEIVED
FOR MAIL ROOM
COMMUNICATIONS

1966 OCT 18 PM 12:41

Secretary-General
for Haiti Presidency

[Handwritten signature]

Yours sincerely,

will be dispatched in due course.

Separate notifications of the opening date of each meeting listed
11th meeting on 23 September 1966.

the Conference, as adopted by the Trade and Development Board at its
period between the fourth session of the Board and the second session of
document TD/B/INE/c, which reproduces the calendar of meetings for the

..... I have pleasure in enclosing, for your information, a copy of
Dear Mr. Woods,

REF. No: LDO STO

10 October 1966

Telephone: 34 00 11 33 40 00 33 50 00 33 10 00

Telex: 55313 OM 55344

Telegrams: UNATIONS, GENEVE

1211 GENEVE 10
Palais des Nations

DEVELOPMENT
CONFERENCE ON TRADE AND
UNITED NATIONS



ET LE DEVELOPPEMENT
CONFERENCE SUR LE COMMERCE
NATIONS UNIES

OCT 18 RECD



United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/INF/6
30 September 1966

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

CALENDAR OF UNCTAD MEETINGS FOR 1966-67

Note by the secretariat

The calendar of UNCTAD meetings, as approved by the Trade and Development Board at its 114th meeting on 23 September 1966 is reproduced overleaf.

TD.66-3522

	<u>1966</u>	<u>Duration</u>	<u>Location</u>
Expert Group on Reinsurance	26 Sep-8 Oct	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities	27-30 September	4 days	Geneva
Intergovernmental Group on Supplementary Financing 1/	10-14 October	1 week	Geneva
Preparatory meetings on cocoa	October-November	To be determined	
FAO/UNCTAD Working Party on Forest and Timber Products	31 Oct-7 Nov.	1 week	Geneva
Sugar consultations	To be determined	To be determined	
Exploratory Meeting on Copper	To be determined	To be determined	
	<u>1967</u>		
Committee on Commodities, second session, and Permanent Sub-Committee on Commodities, resumed first session	10-27 January	3 weeks	Geneva
Committee on Manufactures, second session	31 Jan-15 Feb.	2½ weeks	Geneva
Group on Preferences, second session	31 Jan-8 Feb.	9 days	Geneva
Commodity conference	To be determined	5 weeks	To be determined
Committee on Shipping, second session	21 Feb-8 March	2½ weeks	Geneva
Permanent Group on Synthetics and Substitutes, first session	To be determined	9 days	To be determined
Committee on Invisibles and Financing related to Trade, second session	4-19 April	2½ weeks	New York
Trade and Development Board fifth session	4-30 May	4 weeks	Geneva, or if impossible, New York
Commodity conference	To be determined	7 weeks	To be determined
UNCTAD, second session	Sept. - Oct.	7 weeks	New Delhi
Advisory Committee to the Board and to the Committee on Commodities, second session	To be determined	2 weeks	To be determined
Eight Expert Groups	To be determined	16 weeks	To be determined

Note: All meetings for the remainder of 1967 are to be determined in the light of decisions taken at the second session of UNCTAD.

1/ Provision to be made for two further meetings of this Group in 1966-67 if required. Dates and location of these two meetings to be determined.

CROSS REFERENCE SHEET

COMMUNICATION:

DATED:

SENIOR STAFF MEETING SSM/M/66-38

TO:

October 7, 1966

FROM:

FILED UNDER:

SENIOR STAFF MEETING

SUMMARY:

UNCTAD

9. Mr. Demuth reported that the September meeting of the UN Trade and Development Board in Geneva had concentrated on arrangements for the second UNCTAD Conference. It had been decided to hold that Conference in New Delhi beginning in September, 1967. It would last six weeks and thus overlap the Bank Annual Meeting and the UN General Assembly. The Board meeting had been marked by a feeling of frustration at the lack of progress since the first Conference, and many of the delegates were beginning to realize that the creation of a new agency did not of itself solve difficult problems. The meeting of the UNCTAD Committee on Financing and Invisibles previously fixed for late November had been postponed until April, 1967; this was the Committee responsible for handling the Bank staff studies of the "Horowitz Proposal", supplementary financing and suppliers' credits.

OFFICE MEMORANDUM

TO: Files

DATE: October 7, 1966

FROM: Vinod Dubey

SUBJECT: Statement by Mr. Prebisch at the 93rd Planning Meeting of the Trade and Development Board.

In his statement before the Fourth Session of the Trade and Development Board at Geneva, (August - September 1966) Dr. Prebisch made the following points:

1. The Problem of the Developing Countries: The growth targets of the Development decade are not being met. This arises from the contradictions between modern technology and the ability of the developing countries to assimilate it. This technology is capital absorbing while their capacity for capital formation is low. By reducing death rates, modern technology increases population growth and aggravates the "dynamic weakness" of developing countries. Attempts to increase productivity by applying new techniques to agriculture and marketing would tend to intensify the problem of surplus labour and underemployment.

2. The Role of International Cooperation: (a) Provision of finance: For the problem to be tackled, the rates of growth of the developing economies have to be raised, and international cooperation has a fundamental role in this. The flow of resources from industrial countries to the developing countries declined from 0.83% of the gross product of the industrial countries in 1961 to 0.65% in 1964 and 0.69% in 1965. The burden of repayment is growing. If the net result of international cooperation is measured by the excess that the developing countries are able to import over their export earnings, this has fallen from \$2,900 million in 1958 and \$3,100 million in 1961 to \$500 million in 1964 and \$400 million in 1965. In addition the terms of assistance have become more unfavourable and the tying of loans has reduced their real content.

(b) The problem of external instability. The supplementary finance scheme of the IBRD is a step forward in tackling the problem of external instability which is a serious obstacle to attaining higher growth rates in the LDCs. Another is the problem of establishing workable buffer stock schemes for important primary commodities. Unfortunately none of the international financial agencies are "equipped by their statutes or policies" to tackle this problem.

(c) Preferences for export of manufactures. The growth of exports of manufactures from LDCs is also necessary, even if the Kennedy Round is highly successful. The argument that preferences to LDCs would

October 7, 1966

militate against the MFN clause and multilateral world trade ignores the fact that these can only work in an environment of growing trade. During the Great Depression when world trade shrank these principles were given up by many countries. The developing countries facing a declining share in world trade are in this situation, and in the absence of preferences are forced to follow import substitution policies tending to break them up into "separate watertight compartments". In any case, the MFN clause and multilateralism is already endangered by the growth of "vertical preferences" -- a system whereby certain industrial countries obtain preferences from certain LDCs, granting preferences to them in return.

(d) Intensification of technical assistance for export promotion. Preferences would be of help immediately only to the more industrial of the LDCs. This problem should be tackled by a vigorous policy of establishing industries in the relatively less developed countries. Full use should be made of existing channels for providing technical assistance in export promotion, market analysis and training of technicians from LDCs.

3. The Role of the LDCs. The object is a structural change in the international economy so that LDCs can "export more in order to import more". However, LDCs have to make great efforts to assimilate modern technology. Social mobility has to be increased, land reform undertaken, education spread. These structural reforms can be carried out more easily if the economy is growing rapidly.

4. Need for Convergence: A World Development Policy. It is necessary that both developing and developed countries take "convergent, simultaneous and properly concerted measures" for there to be an effective world development policy. Elements of such a development policy at the "national and international level" are emerging. The Bank's scheme of supplementary finance is one. The FAO outline plan for agricultural production now being undertaken, is another. Agreement has to be reached in bodies on criteria and principles for assessing the validity of national economic plans, and an impartial group of international experts may assess them on these bases before they are submitted to lending agencies.

cc: Messrs. Kamarck, de Vries, Kalmanoff, Leon.

Cleared with Mr. Leon.

INCOMING CABLE

DATE AND TIME
OF CABLE:

OCTOBER 7, 1966 1537

LOG NO.:

TELEX/7

TO:

INTBAFRAD

FROM:

PARIS

ROUTING

ACTION COPY:

MR. PEREIRA-LIRA

INFORMATION
COPY:

DECODED BY:

TEXT:

699 FOR PEREIRA-LIRA

UNDERSTAND FROM TELEPHONE CONVERSATION WITH KARASZ YOU MIGHT
BRING SOME BANK PAPERS ON STUDY SUPPLEMENTARY FINANCING WITH
YOU TO GENEVA. GENEVA INFORMED US TODAY OVER 20 COUNTRIES
SENDING OBSERVERS TO GROUP MEETING AND REQUESTED SUFFICIENT
COPIES BE BROUGHT

PAIJMANS

MT

GENERAL FILES
COMMUNICATIONS

OCT 7 10 59 AM 1966

• • •

RECEIVED

URGENT 10 7 1966

URGENT 10 7 1966 TO DIRECTOR, FBI, FROM SAC, NEW YORK (100-100000)

RE NEW YORK TELETYPE TO BUREAU, OCTOBER SEVEN LAST.

RE NEW YORK TELETYPE TO BUREAU, OCTOBER SEVEN LAST.

RE NEW YORK TELETYPE TO BUREAU, OCTOBER SEVEN LAST.

END PAGE ONE

RE: 100-100000

FROM: NEW YORK

TO: DIRECTOR, FBI

FROM: NEW YORK

RE: 100-100000

END PAGE ONE

RECEIVED BY

DATE

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DATE

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RECEIVED BY

October 5, 1966

Dear Silvana:

On my return to the office this week I am writing to thank you for all your help and many services during the UNCTAD Board meeting. All of us were deeply grateful for the competent way in which you carried out the many duties which were entrusted to you. I can assure you that your help was invaluable to us.

You will recall our conversation about your overtime in Geneva in connection with the UNCTAD meetings, especially when they continued in the evenings. I do hope that you will submit a claim for overtime as we shall be only too glad to arrange for proper payment to be made to you.

I hope you had a pleasant journey back to Milan and that you will have some holiday before you undertake any more assignments.

With best wishes,

Sincerely yours,

Lewis Perinbam
Liaison Officer
Development Services Department

Miss Silvana Menni
Via Cappuccio, 19
Milano, Italy

P

LP:bmb

1000 OCT -2 PM 4:21

COMMUNICATIONS
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OCT 10 1966

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COMMUNICATIONS

1966 OCT -6 PM 4:57

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МІТІНО' ІСТІА
ДІВ СЕРБІНСКО' ІД
МІТІВ СІТІВІВ МІТІВ

Developmental Services Department
Personnel Office
Human Resources

STUCERELLY LONIE'

МІТІВ РЕВІ МІТІВ

МІТІВ СЕРБІНСКО' ІД

МІТІВ ЛОН МІТІВ РЕВІ СЕРБІНСКО' ІД ЛОН МІТІВ РЕВІ
І РЕВІ ЛОН МІТІВ СЕРБІНСКО' ІД ЛОН МІТІВ РЕВІ

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МІТІВ СЕРБІНСКО' ІД

ОСЕРБІНСКО' ІД

October 5, 1966

Dear Martijn:

This is just a note to thank you for your letter of September 26 which was awaiting me on my return to the office and with which you enclosed copies of the final reports which you prepared on the UNCTAD Board meeting. I note that you have sent copies of these reports to Messrs. Hoffman and Consolo.

I am now working on a report to the Board, based on the ones which you wrote as well as my own notes, and I shall send you my draft as soon as it is ready. Needless to say, I have been immensely helped by your very good reports.

It was good to meet you and I much enjoyed working with you in Geneva. I hope we shall have an opportunity to meet again before too long.

With kind regards,

Sincerely yours,

Lewis Perinbam
Liaison Officer
Development Services Department

Mr. Martijn J. Paijmans
International Bank for
Reconstruction and Development
4 Avenue d'Iéna
Paris 16e, France

2

LP:bmb

1300 OCT -2 6W 1:21

COMMUNICATIONS
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OCT 10 1966

1966 OCT -6 PM 4:57

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I am now working on a letter to the people, passed on

СОНГОТ:

name and address of these persons so Messrs. Hoffman and
 Don Blechman on the ONCLAD Board meeting. I hope that Don
 and Myra Myron Don Eustace and others of the Lusk Leboris Myron
 Gelfrempel. So Myron and Eustace me on his letter to the office
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DECL. REFLECTION:

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Ms C 103

D. U. STIKKER

Washington, D. C.
October 4, 1966

Mr. M. Hoffman, Assistant Director
Development Services Department
IBRD
1818 H Street, N. W.
Washington, D. C.

Dear Mr. Hoffman:

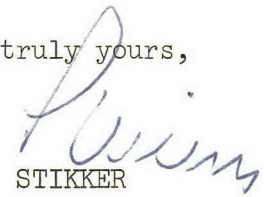
I was sorry to learn from your office today that you are not feeling well, and I trust that your indisposition will only be of short duration.

My reason for trying to contact you was to let you know that I have decided to attempt arranging for Mr. Norris O. Johnson to join me on the U.N.C.T.A.D. project, as you will see from the enclosed copy of my letter to him. He is by all accounts a first-class man, and if the schedule which I have tentatively arranged with him is confirmed, the problem of time, which as you know is causing me some concern, would be overcome.

I very much hope that Mr. Johnson will be able to make arrangements to join me, but should this turn out to be impossible, I hope that I may take up the matter of a suitable economist with you again.

Best wishes for a speedy recovery.

Very truly yours,


D. U. STIKKER

ack. 10/11/66

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COMMUNICATIONS
1966 OCT -5 PM 3:14

D. U. STIKKER

Washington, D. C.
October 4, 1966

Mr. Norris O. Johnson
P. O. Box 57
Gidney Station
White Plains, New York 10605

Dear Mr. Johnson:

With reference to our conversation yesterday in Washington, which I thoroughly enjoyed and found most stimulating, I have given further thought to your joining me in carrying out the U.N.C.T.A.D. inquiry. The time factor was my only reason for hesitating yesterday, but I have come to the conclusion that it would be most helpful if you were to decide to help me in this project.

I should, therefore, be grateful if you would confirm that you are able to obtain the necessary staff assistance as discussed, and that the following broad schedule is indeed feasible from your point of view:

23 October-13 November: You would join me at Menaggio, initially for the purpose of discussing and setting out in detail the work to be carried out, and then to advance work as much as possible--particularly with regard to questionnaires for discussion at end-year meeting with business circles.

19 November-11 December: I would come to the United States, or we would meet somewhere mutually convenient, for a general review of progress and to put the final touch to the questionnaires.

January-March: I would visit Latin America, the Far East and Africa, while you and your assistant do your work from the United States.

April-July: You would join me at Menaggio for the preparation of the final report, for which incidentally we shall also have the benefit of expert literary advice to insure that our work is not only technically correct, but also readable to non-experts.

It is understood that during this period you may have to dedicate say, 25 percent of your time, to other duties in the United States.

If, as I hope, you are able to join me as outlined above, please let me know at your earliest convenience, and contact Mr. Stone or Mr. Catalano, of

D. U. STIKKER

-2-

Washington, D. C.
October 4, 1966

the Ford Foundation, to which I am sending copy of this letter, in order to make the necessary financial arrangements.

Very truly yours,

D. U. STIKKER

cc to: Mr. S. Stone
Ford Foundation
477 Madison Avenue
New York, New York

bc to: Mr. M. Hoffman, Assistant Director
Development Services Department
IBRD
1818 H Street, N. W
Washington, D. C.

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: October 4, 1966

TO: The President
I.B.R.D.

FROM: United Nations
Conference on Trade and Development

FILED UNDER: STUDIES - Forestry

SUMMARY: Re: Letter with enclosed copy of a note verbale addressed to all States members of UNCTAD referring to the decision of the 4th Session of the Trade and Development Board concerning the forthcoming meeting of the joint UNCTAD/FAO working party on Forest and Timber Products.

UNCTAD

OUTGOING WIRE

TO: DR PREBISCH
UNCTAD

GENEVA

DATE: OCTOBER 3, 1966

CLASS OF
SERVICE: ~~STRAIGHT~~ *Full Rate*
RCC

COUNTRY: SWITZERLAND

TEXT: GRATEFUL YOUR CABLE STOP HAVE CONTACTED YOUR OFFICE NEW YORK RE APPOINTMENT
Cable No.:
AT YOUR CONVENIENCE STOP UNDERSTAND YOUR ARRIVAL NOW SCHEDULED WEDNESDAY

SINCERELY

AVRAMOVIC

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:
Dragoslav Avramovic
NAME Director, Special Economic Studies
Office of the President
DEPT.
SIGNATURE *Dragoslav Avramovic*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. I. Friedman

For Use by Archives Division

ORIGINAL (File Copy)
(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *fr*

ORIGINAL (ENC COPY)

Checked for Dispatch:

RECEIVED

DISPATCHED

For use by Liaison Division

GENERAL FILES
COMMUNICATIONS
INDIVIDUAL AUTHORIZED TO APPROVE

GENERAL FILES
COMMUNICATIONS

DATE

OCT 3 3:13 PM 1966

OCT 3 3:20 PM 1966

NAME

Office of the President
Director, Special Economic Studies
Presbyterian Volunteer

RECEIVED

MESSAGE AUTHORIZED BY:

SPONSORING VENDOR COPY DISTRIBUTION:

NOT TO BE TRANSMITTED

VALENTIN

STANLEY

Copy No:

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COMMITTEE: SWITZERLAND

GENERAL

SERVICE

STANLEY

CLASS OF

DISPATCH

TO: DR BREWSTER

DATE: OCTOBER 3, 1966

OUTGOING WIRE

ASSOCIATION

RECONSTRUCTION AND DEVELOPMENT

COOPERATION

INTERNATIONAL DEVELOPMENT

INTERNATIONAL BANK FOR

INTERNATIONAL FINANCE

(1-9-1)

Form No. 31

October 3, 1966

Dear Mr. Pollock:

I have delayed answering your query because I wanted to see how my obligations will be shaping up in the coming months. I have carefully read the memorandum and have given considerable thought to your proposal but I am afraid that I have to decline your invitation to write a paper for UNCTAD on the relationship between economic development and commodity agreements. I have done little work on this problem so far and the preparation of a paper would require more time than I could spare in the next several months.

I am sorry that I cannot give you a positive answer but other obligations do not permit me to do so. I very much hope, however, that we will be able to collaborate sometime in the future.

With best regards to Alf Maizels and you, I remain

Yours sincerely,

Bela Balassa

Adviser

Economics Department

BBalassa/pam


Mr. D. J. Pollock
c/o United Nations Conference on Trade and Development
Palais des Nations
Geneva, Switzerland

Mr. G. Kalmanoff

October 3, 1966

Lewis Perinbam

UNCTAD Meetings 1966-67

Further to Mr. Consolo's memorandum of September 28, 1966, I am attaching a revised list of the calendar of UNCTAD meetings scheduled for 1966-67.

Please note from the attached list that the second session of the Committee on Invisibles and Financing Related to Trade is expected to meet from April 4 to 19, 1967 in New York.



LP:bmb

October 3, 1966

Dear Asahiko:

This is just a note to thank you for sending me the UNCTAD material. It was kind of you to do so and it has been most useful to me.

I very much enjoyed seeing you again in Geneva and having your company during those long and often inconclusive meetings.

With kind regards,

Sincerely yours,

Lewis Perinbam
Liaison Officer
Development Services Department

Mr. Asahiko Isobe
International Monetary Fund
58 Rue de Moillebeau
1202 Geneva, Switzerland

 LP:bmb

October 1, 1966

Dear Mr. Paijmans:

Many thanks for your letters of September 26. I apologise for not having replied before but I have been completely tied up this past week with the Annual Meeting. I have passed both your letter from Geneva of September 21 as well as your last one of September 26, on the Inter-Governmental Group on Supplementary Finance, to Mr. Friedman, but have not so far heard anything from his office. I know that Mr. Karasz has also spoken to him about this. Your final report (attached to your second letter of September 26) on the Trade and Development Board makes interesting, if depressing, reading.

It was very nice meeting, and working with, you in Geneva and I do want to thank you for your very pleasant and efficient co-operation.

Sincerely yours,

Federico Consolo

Mr. Martijn J. Paijmans
International Bank for
Reconstruction and Development
4 Avenue d'Iéna
Paris 16e, France

PC: [signature]

1966 OCT 1 - 3 11:53
COMMUNICATIONS
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RECEIVED
GENERAL FILES
COMMUNICATIONS

1966 OCT -3 AM 11:23

EC:RAN

Dear Mr. Kennedy:
I value your
conspicuous and pleasant
information and thank you
for the letter of 1/1/66.

Respectfully,
John F. Kennedy

Respectfully,
John F. Kennedy

co-operation.

and I do want to thank you for your very pleasant and efficient
It was very nice meeting you and working with you in general

and it is very pleasant.

September 30) on the day and pleasant work makes interest-
ing. Your letter about (attached to your second letter of
my office. I know that Mr. Kennedy was also spoken to my group
Kennedy to Mr. Kennedy, but was not so far, really enjoying from
September 30 on the first-semester group on subjectively
letter from General of September 31 as well as your last one of
this last week with the United States. I have been very happy
for not meeting with you before but I have been completely free to
Thank you for your letter of September 30. I appreciate

Dear Mr. Kennedy:

Oscar J. Rhee

- 11111111